

# A G E N D A

## SOUTH CAROLINA WORKERS' COMPENSATION COMMISSION

1333 Main Street, 5<sup>th</sup> Floor  
Columbia, South Carolina 29201  
**February 12, 2024 10:30 a.m.**

### Meeting to be held in Hearing Room A

The Commission's Business Meeting will be broadcast live on the Internet via Zoom. Interested parties may access the broadcast at the following link:

Join Zoom Meeting

<https://us02web.zoom.us/j/8249297108?pwd=akcwMkMxSnYzQWFxdEs4V2x6UWtyUT09&omn=87902479796>

Meeting ID: 824 929 7108

Passcode: 073988

*This meeting agenda was posted prior to the meeting and proper advance notice was made to all concerned parties in compliance with requirements in the Freedom of Information Act.*

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|---|---|
| 1. CALL TO ORDER  | CHAIRMAN BECK   |
| 2. APPROVAL OF AGENDA OF BUSINESS MEETING OF FEBRUARY 12, 2024  | CHAIRMAN BECK   |
| 3. APPROVAL OF MINUTES OF THE REGULAR BUSINESS MEETING JANUARY 22, 2024 (Tab 1)   | CHAIRMAN BECK   |
| 4. GENERAL ANNOUNCEMENTS  | MR. CANNON  |
| 5. APPLICATIONS FOR APPROVAL TO SELF-INSURE (Tab 2)<br>A. Self-Insurance Department Report  | MS. BROWN   |
| 6. DEPARTMENT DIRECTORS' REPORTS<br>Administrative Services (Tab 3)<br>Financial Report (Tab 4)<br>Information Services (Tab 5)<br>Insurance and Medical Services (Tab 6)<br>Claims (Tab 7)<br>Judicial (Tab 8) | MS.MCREE<br>MS.MCREE<br>MR. PLUSS<br>MR. DUCOTE<br>MS. SPANN<br>MS. BRACY |
| 7. DEPARTMENT OF VOCATIONAL REHABILITATION<br>Monthly Report (Tab 9)  | MR. CANNON  |
| 8. EXECUTIVE DIRECTOR'S REPORT (Tab 10)   | MR. CANNON  |
| 9. OLD BUSINESS   | CHAIRMAN BECK   |
| 10. NEW BUSINESS<br>Public Hearing – 2024 Medical Services Provider Manual (Tab 11)   | CHAIRMAN BECK   |
| 11. EXECUTIVE SESSION   | CHAIRMAN BECK   |
| 12. ADJOURNMENT   | CHAIRMAN BECK   |

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**TAB 1**

THE  
SOUTH CAROLINA WORKERS'  
COMPENSATION COMMISSION  
BUSINESS MEETING  
**January 22, 2024**

A Business Meeting of the South Carolina Workers' Compensation Commission was held in Hearing Room A of the Workers' Compensation Commission on Monday, January 22, 2024, at 10:30 a.m. The meeting agenda was posted prior to the meeting and proper advance notice was made to all concerned parties in compliance with requirements in the Freedom of Information Act. The following Commissioners were present:

T. SCOTT BECK, CHAIRMAN  
GENE MCCASKILL, VICE CHAIR  
AVERY WILKERSON, COMMISSIONER  
R. MICHEAL CAMPBELL, II, COMMISSIONER  
MELODY JAMES, COMMISSIONER  
CYNTHIA DOOLEY, COMMISSIONER  
AISHA TAYLOR, COMMISSIONER

Present also were Keith Roberts, General Counsel; Christy Brown, Self-Insurance Director; Amy Bracy, Judicial Director; Kristen Mcree, HR Director, Sonji Spann, Director of Claims; Kris Crump, IT Consultant; Kris Pluss, IT Director; Jordan Mays, Staff Attorney; Eric Baxley, Staff Attorney; Geneva Oliver and James Lindler, SCSBIT. Michael Wapnick, Injured Workers' Advocates and Pauline Williams, all attended via Zoom.

Chairman Beck called the meeting to order at 10:35 a.m.

**AGENDA**

Commissioner McCaskill moved that the agenda be approved. Commissioner Dooley seconded the motion, and the motion was approved.

**APPROVAL OF MINUTES – BUSINESS MEETING OF JANUARY 22, 2024**

Commissioner McCaskill moved that the minutes of the Business Meeting of January 22, 2024 be approved. Commissioner Campbell seconded the motion, and the motion was approved.

**GENERAL ANNOUNCEMENTS**

No general announcements.

Recognition of Agency employees Birthdays for the month of January 2024.

**SELF-INSURANCE**

Ms. Brown presented her report in written form. There were no questions from the Commission.

Self-insurance applications were presented by Christy Brown, Self-Insurance Director. **Seven (7)** prospective members of **Three (3)** funds were presented to the Commission for approval. The applications were:

**SC Municipal Insurance Trust**

Town of Chapin

**South Carolina Automobile Dealers Association**

JT's Automotive of Greystone LP dba JT's Kia of Columbia

**South Carolina Home Builders SIF**

Austin Homes LLC

Bailey Sons Electric LLC

Heritage Landscape Services

Janus Coastal LLC

Polished Renovations Design LLC

After examination of the applications, it was determined that each complied with the Commission's requirements, and each was recommended for approval.

Commissioner Wilkerson made the motion to approve the applications to self-insure. Commissioner Taylor seconded the motion to approve the applications to self-insure, and the motion was approved.

**DEPARTMENT DIRECTORS' REPORTS**

Each Department report was submitted in written form and included in the Commission's agenda booklets.

**ADMINISTRATIVE SERVICES**

Ms. Mcree presented the Human Resources and the Financial Report in written form. There were no comments or questions from the Commission.

**INFORMATION SERVICES**

Mr. Pluss presented the IT report in written form. There were no comments or questions from the Commission.

**INSURANCE AND MEDICAL SERVICES**

Mr. Ducote presented his report in written form. There were no comments or questions from the Commission.

**CLAIMS**

Ms. Spann presented her report in written form. There were no comments or questions from the Commission.

## **JUDICIAL**

Ms. Bracy presented her report in written form. There were no questions from the Commission.

## **VOCABATIONAL REHABILITATION**

Mr. Cannon presented the Vocational Rehabilitation report. There were no questions from the Commission.

## **EXECUTIVE DIRECTOR'S REPORT**

Mr. Cannon submitted his report in written form. There were no comments or questions from the Commission.

## **OLD BUSINESS**

There was no old business.

## **NEW BUSINESS**

Chairman Beck called the Public Hearing to order at 11:01 a.m. for Mr. Roberts to discuss the proposed changes to the Regulation 67-1602. No one made any comments in person or via Zoom.

The public hearing adjourned at 11:11am.

Commissioner Taylor made a motion to establish an Ad Hoc Committee to review Regulation R67-1805 and provide their findings and recommendations to the Commission. Commissioner James seconded the motion. Motion passed.

Fair Health. Commissioner Taylor made a motion for Public Hearing on February 12, 2024. Commissioner Wilkerson seconded the motion. Motion was passed.

## **EXECUTIVE SESSION**

Commissioner Taylor made a motion to move into Executive Session to discuss pending litigation matters. Commissioner Wilkerson seconded the motion, and the motion was approved. The Commission went into Executive Session at 11:11 a.m.

Commissioner Taylor made the motion to leave Executive Session at 11:20 a.m.; noting that no activity was taken. Commissioner Campbell seconded the motion, and the motion was approved.

## **ADJOURNMENT**

Commissioner Campbell made the motion to adjourn. Commissioner Taylor seconded the motion, and the motion was approved.

The January 22, 2024 meeting of the South Carolina Workers' Compensation Commission adjourned at 11:21 am.

Reported January 25, 2024  
Arnisha Keitt  
Executive Assistant

**TAB 2**



# State of South Carolina



1333 Main Street, Suite 500  
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Columbia, S.C. 29202-1715

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[www.wcc.sc.gov](http://www.wcc.sc.gov)

## Workers' Compensation Commission

### MEMORANDUM

To: Gary Cannon  
Executive Director

From: Christy Brown  
Self-Insurance Director

Date: February 12, 2024

Subject: Monthly Self-Insurance Report for January 2024

During the month of January, the self-insurance department collected \$29,990.32 in self-insurance taxes from 2 self-insureds.

We have had 2 self-insureds pay a self-insurance late tax penalty, for a total of \$1,867.84. Year to date, we have had 5 self-insureds pay a self-insurance late tax penalty for a total of \$3,065.46.

We have had 1 self-insureds pay a self-insurance late tax interest, for a total of \$773.70. Year to date, we have had 4 self-insureds pay a self-insurance late tax interest for a total of \$3,870.58.

There were 4 audits conducted, all of which were individual employers. Year to date, a total of 28 audits performed.

We received 19 applications for membership in 2 self-insured fund(s). The applications were reviewed, processed, and given a pre-approval the same day they were received per 42-5-25 (B).

As a result, there are 551 additional employees who will now be covered under the self-insurance program.

After examination of the various applications, it has been determined that each has complied with the Commission's requirements, and each is recommended for approval.

**TAB 3**

# State of South Carolina



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## Workers' Compensation Commission

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To: Gary Cannon, SCWCC Executive Director  
From: Kristen McRee, Director of Administrative Services  
Date: February 12, 2024  
Subject: Administrative Department January 2024 Full Commission Report

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This report summarizes the Human Resources, Procurement, and Information Security operations and initiatives during January 2024.

### I. Human Resources

#### **Hiring Recruitment & Retention**

In January, Human Resources was notified of a staff resignation in the Insurance and Medical Services Department. This resignation is in addition to an upcoming vacancy due to an employee retirement in the same department. Recruiting efforts commenced for both positions and both job postings were prepared, posted, and have now closed. Resumes are being reviewed and interviews will be scheduled during the month of February.

Human Resources also participated in a Linked-In Learning Sub Administrator Form. Topics discussed included user statistics and tips to promote employee learning.

#### **Reporting**

The HR Department is moving forward with the implementation of the SuccessFactors Performance Module. As previously mentioned, the software is designed to streamline the employee job performance review process. The tentative launch date is in the beginning of August 2024. Department heads will be notified in the coming months regarding the scheduling of trainings, additional information about the system, and implementation timelines.

Year-end time and leave reconciliations have been completed. W2s were received by the Comptroller General's Office and distributed at the end of the month. All employees should have received their W2s. If a W2 was not received, or there is an error, please contact HR. In addition to the W2, Affordable Care Act (ACA) Forms 1095C were received and distributed. If the forms were not received, please contact HR. In addition, the office is currently reviewing ACA reporting data.

## **Benefits**

Open Enrollment for the State Optional Retirement Program (ORP) began on January 1 and will continue until March 1 of each year. Employees subscribing to the State ORP program may change their service providers or, if eligible, may irrevocably elect to participate in the South Carolina Retirement System (SCRS). Any changes made take effect on April 1, 2024.

## **II. Procurement**

In January, the contract for Progress professional services was renewed using sole source procurement procedures. In conjunction with IT, Administrative Services reviewed the procurement justification and submitted it to the Department of Administration's Procurement Department. Services have continued without disruption. Both departments are pursuing a second sole source procurement for progress software annual maintenance. This process is anticipated complete in February.

**TAB 4**

# State of South Carolina

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## Workers' Compensation Commission

### MEMORANDUM

**TO: COMMISSIONERS**

**FROM: Gary Cannon, Executive Director**

**DATE: February 12, 2024**

**RE: FINANCIAL REPORT – FY Period ending January 31, 2024**

Attached is the Budget vs. Actual Report for the General Fund and Earmarked Fund for the fiscal year period ending January 31, 2024. The benchmark for this period is 58%.

#### Expenditures – General Fund – Annual Budget \$2,985,961

The total expenditure for the General Fund year-to-date is \$1,617,549 or 54% of the annual budget as shown on Page 2. Page 3 and 4 reflects the balances of funds appropriated by the General Assembly for the IT System Modernization Project. Those balances remain stable at \$1,695,084 and \$5,000,000 respectively.

#### Expenditures – Earmarked Fund – Annual Budget \$5,607,845

The Earmarked Fund (38440000) total expenditures year-to-date are \$2,554,556 which is 46% of budget as shown on Page 10.

#### Revenues – Earmarked Annual Budget \$3,157,092

The Commission posted \$1,627,698 in Earmarked Fund operating revenues year-to-date, which is 52% of the annual budget.

#### Self-Insurance Tax Funds

The amount budgeted from the Self-Insurance Tax for the Commission is \$2,500,000. The amount received year-to-date is \$2,684,626.00 which is 107% of budget.

**South Carolina Workers' Compensation Commission**  
**Budget vs. Actual Report**  
**FY 2024 As of 1/31/2024**  
**58% of year elapsed**

**Fund 10010000 - GENERAL FUND - Operating Items**

**Administration**

Commitment Item	Commitment Item Description	Current Budget	YTD Expenditures	% Used	Commitments	Remaining Balance
501015	DIRECTOR	146,417	89,680	61%		56,737
512001	OTHER OPERATING	294,907				
Total OTHER OPERATING:		294,907				294,907
<b>Total Administration:</b>		<b>441,324</b>	<b>89,680</b>	<b>20%</b>	<b>0</b>	<b>351,644</b>

**Claims**

Commitment Item	Commitment Item Description	Current Budget	YTD Expenditures	% Used	Commitments	Remaining Balance
501058	CLASSIFIED POS	85,630	52,096	61%		33,534
<b>Total Claims:</b>		<b>85,630</b>	<b>52,096</b>	<b>61%</b>	<b>0</b>	<b>33,534</b>

**Commissioners**

Commitment Item	Commitment Item Description	Current Budget	YTD Expenditures	% Used	Commitments	Remaining Balance
501026	CHAIRMAN	177,426	108,673	61%		68,753
501033	COMMISSIONER	1,033,541	633,037	61%		400,504
501050	TAXABLE SUBS	70,000	44,520	64%		25,480
501058	CLASSIFIED POS	370,000	226,939	61%		143,061
<b>Total Commissioners:</b>		<b>1,650,967</b>	<b>1,013,168</b>	<b>61%</b>	<b>0</b>	<b>637,799</b>

**Insurance & Medical**

Commitment Item	Commitment Item Description	Current Budget	YTD Expenditures	% Used	Commitments	Remaining Balance
501058	CLASSIFIED POS	35,000	21,875	63%		13,125
<b>Total Insurance &amp; Medical:</b>		<b>35,000</b>	<b>21,875</b>	<b>63%</b>		<b>13,125</b>

**Employer Contributions**

Commitment Item	Commitment Item Description	Current Budget	YTD Expenditures	% Used	Commitments	Remaining Balance
513000	EMPLOYER CONTRIB	773,040	440,729	57%		332,311
<b>Total Employer Contributions:</b>		<b>773,040</b>	<b>440,729</b>	<b>57%</b>		<b>332,311</b>

**South Carolina Workers' Compensation Commission**  
**Budget vs. Actual Report**  
**FY 2024 As of 1/31/2024**  
**58% of year elapsed**

**Fund 10010000 - GENERAL FUND - Operating Items**

<b>Total GENERAL FUND - Operating Items:</b>	2,985,961	1,617,549	54%	0	1,368,412
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**South Carolina Workers' Compensation Commission**  
**Budget vs. Actual Report**  
**FY 2024 As of 1/31/2024**  
**58% of year elapsed**

**Fund 10010000 - GENERAL FUND - Special Items**

**IT System Project**

<b>Commitment Item</b>	<b>Commitment Item Description</b>	<b>Current Budget</b>	<b>YTD Expenditures</b>	<b>% Used</b>	<b>Commitments</b>	<b>Remaining Balance</b>
561000	Special Item	1,695,084				1,695,084
<b>Total IT System Project:</b>		<b>1,695,084</b>				<b>1,695,084</b>
<b>Total GENERAL FUND - Special Items:</b>		<b>1,695,084</b>				<b>1,695,084</b>

**South Carolina Workers' Compensation Commission**  
**Budget vs. Actual Report**  
**FY 2024 As of 1/31/2024**  
**58% of year elapsed**

**Fund 10050023 - GF-NONRECUR APROP-23 - Special Items**

**IT System Project**

<b>Commitment Item</b>	<b>Commitment Item Description</b>	<b>Current Budget</b>	<b>YTD Expenditures</b>	<b>% Used</b>	<b>Commitments</b>	<b>Remaining Balance</b>
561000	Special Item	5,000,000				5,000,000
<b>Total IT System Project:</b>		<b>5,000,000</b>				<b>5,000,000</b>
<b>Total GF-NONRECUR APROP-23 - Special</b>		<b>5,000,000</b>				<b>5,000,000</b>

**South Carolina Workers' Compensation Commission**  
**Budget vs. Actual Report**  
**FY 2024 As of 1/31/2024**  
**58% of year elapsed**

**Fund 38440000 - EARMARKED FUND**

**Administration**

Commitment Item	Commitment Item Description	Current Budget	YTD Expenditures	% Used	Commitments	Remaining Balance
501058	CLASSIFIED POS	791,985	136,334	17%		655,651
501070	OTH PERS SVC	41,000				41,000
512001	OTHER OPERATING	2,256,948				
5020030000	PRINT / BIND / ADV		4			
5020077100	SERVICES- APP SUP		20,250		13,725	
5020077220	SERVICES- VOICENET		12,468		31,785	
5020077240	DP SERVICES – STATE		167,238			
5020080000	FREIGHT EXPRESS DELV		9			
5021010000	LEGAL SERVICES		1,523			
5021020000	ATTORNEY FEES		69,705			
5021330000	CONTR-GOVT/NONPRFIT		9,750			
5021330003	CONTR-STATE		9,750			
5021430000	NON-ST EMP TR-NONRPT		16			
5021450000	MOTOR VEHICLE SVCS		70			
5021460000	GENERAL REPAIR		300			
5021479211	RUBBISH REMOVAL		3,000			
5021490000	AUDIT ACCT FINANCE		113			
5021540001	PROF SRV-LANG INTER		113		429	
5030010000	OFFICE SUPPLIES		7,733			
5030010004	SUBSCRIPTIONS		4,901		7,250	
5030030000	PRINTED ITEMS		6,936			
5030067101	PRGM LIC - APP SUPP		20,968		58,827	
5030067110	EQUIP&SUPP- DATA NET		562			
5030067141	PLM- ITSD		9,590			
5030067170	EQUIP&SUPP- PRINT EU		4,187			
5030070000	POSTAGE		33			
5031010001	FURNISHINGS		939			
5031479203	JANITORIAL SUPPLIES		1,067			
5033030000	PROMOTIONAL SUPPLIES		51			
5033090000	EMPLOYEE RECOG AWARD		771			
5033140002	CREDENTIAL SUPPLIES		15			
5033990000	OTHER SUPPLIES		117			

**South Carolina Workers' Compensation Commission**  
**Budget vs. Actual Report**  
**FY 2024 As of 1/31/2024**  
**58% of year elapsed**

**Fund 38440000 - EARMARKED FUND**

5040060000	ST RENT-NON ST BLDG				6,087	
5040070000	RENT-ST OWN RL PROP		120			
5040490003	RENT PO BOX		1,846			
5040490009	RENT PARKING		14,489		3,314	
5040520000	INSURANCE-NON STATE		171			
5041010000	DUES & MEMBER FEES		4,200			
5041020000	FEES AND FINES		317		20	
5041840000	LEASE BLDG PRINCIPAL		263,262		-	
5041850000	LEASE BLDG INTEREST		20,120		-	
5050010000	IN ST-MEALS-NON-REP		302			
5050020000	IN ST-LODGING		2,294			
5050031000	HR-IN ST-AIR TRANS		1,027			
5050041000	HR-IN ST-AUTO MILES		951			
5050050000	IN ST-OTHER TRANS		65			
5050060000	IN ST-MISC TR EXP		997			
5050070000	TRNG-IN-ST REG FEES		545			
5050570000	TRNG-OUT-ST REG FEE		4,010			
5051540000	LEASED CAR-ST OWNED		23,982			
<b>Total OTHER OPERATING:</b>		<b>2,256,948</b>	<b>690,877</b>	<b>31%</b>	<b>121,437</b>	<b>1,444,635</b>
<b>Total Administration:</b>		<b>3,089,933</b>	<b>827,210</b>	<b>27%</b>	<b>121,437</b>	<b>2,141,286</b>

**South Carolina Workers' Compensation Commission**  
**Budget vs. Actual Report**  
**FY 2024 As of 1/31/2024**  
**58% of year elapsed**

**Fund 38440000 - EARMARKED FUND**

**Inform. services**

Commitment Item	Commitment Item Description	Current Budget	YTD Expenditures	% Used	Commitments	Remaining Balance
501058	CLASSIFIED POS		219,419			-219,419
5020050000	PHOTO & VISUAL SVCS		3,965		235	
5020077100	SERVICES- APP SUP				72,117	
5020077160	SERVICES- MGT ADMN		25,000		25,000	
5020077220	SERVICES- VOICENET		9,942		16,946	
5021469316	SECURITY ALARM SRVC		2,818			
5021540000	NON-IT OTHER PRO SRV				45,000	
5030050000	PHOTO & VISUAL SUPP		4,476		2,975	
5030067101	PRGM LIC - APP SUPP		42			
5030067130	EQUIP&SUPP- EUC				10,800	
5030067170	EQUIP&SUPP- PRINT EU				3,660	
5031469316	SCRTY ALRM SYS SUPPL		782			
5040057000	CONTINGNT RENT - IT		1,012			
5050020000	IN ST-LODGING		334			
5050041000	HR-IN ST-AUTO MILES		223			
5060322000	TV/Radio Eq Acq (MA)				8,646	
Total OTHER OPERATING:			48,592		185,378	-233,971
<b>Total Inform. services:</b>			<b>268,011</b>		<b>185,378</b>	<b>-453,389</b>

**Claims**

Commitment Item	Commitment Item Description	Current Budget	YTD Expenditures	% Used	Commitments	Remaining Balance
501058	CLASSIFIED POS	280,850	134,227	48%		146,623
512001	OTHER OPERATING	19,700				
5050010000	IN ST-MEALS-NON-REP		117			
5050020000	IN ST-LODGING		936			
5050041000	HR-IN ST-AUTO MILES		210			
Total OTHER OPERATING:		19,700	1,263	6%	0	18,437
<b>Total Claims:</b>		<b>300,550</b>	<b>135,489</b>	<b>45%</b>	<b>0</b>	<b>165,061</b>

**South Carolina Workers' Compensation Commission**  
**Budget vs. Actual Report**  
**FY 2024 As of 1/31/2024**  
**58% of year elapsed**

**Fund 38440000 - EARMARKED FUND**

**Commissioners**

Commitment Item	Commitment Item Description	Current Budget	YTD Expenditures	% Used	Commitments	Remaining Balance
501050	TAXABLE SUBS	70,000				70,000
512001	OTHER OPERATING	230,700				
5020077112	NCV- DATA NET		3,384			
5020077113	MOBILE HOTSPOT SRVC		2,976			
5020120000	CELLULAR PHONE SVCS		8,519			
5021010000	LEGAL SERVICES		3,346			
5021010003	LEGAL SRV-TRANSCRIPT		891			
5021010005	LEGAL SRV-REPORTER		56,826			
5021070000	ATTRNY FEES-AD LITEM		625			
5021540000	NON-IT OTHER PRO SRV		567			
5030067130	EQUIP&SUPP- EUC		2,137			
5030090000	COMMUNICATION SUPP		1,340			
5041020000	FEES AND FINES		75			
5050010000	IN ST-MEALS-NON-REP		2,105			
5050020000	IN ST-LODGING		10,367			
5050031000	HR-IN ST-AIR TRANS		1,559			
5050041000	HR-IN ST-AUTO MILES		17,637		546	
5050050000	IN ST-OTHER TRANS		320			
5050060000	IN ST-MISC TR EXP		1,058			
5050080000	IN ST-SUBSIST ALLOW		6,369			
<b>Total OTHER OPERATING:</b>		<b>230,700</b>	<b>120,100</b>	<b>52%</b>	<b>546</b>	<b>110,054</b>
<b>Total Commissioners:</b>		<b>300,700</b>	<b>120,100</b>	<b>40%</b>	<b>546</b>	<b>180,054</b>

**South Carolina Workers' Compensation Commission**  
**Budget vs. Actual Report**  
**FY 2024 As of 1/31/2024**  
**58% of year elapsed**

**Fund 38440000 - EARMARKED FUND**

**Insurance & Medical**

Commitment Item	Commitment Item Description	Current Budget	YTD Expenditures	% Used	Commitments	Remaining Balance
501058	CLASSIFIED POS	459,463	281,161	61%		178,302
501070	OTH PERS SVC	22,881	9,297	41%		13,584
512001	OTHER OPERATING	114,500				
5020080000	FREIGHT EXPRESS DELV		20			
5021540000	NON-IT OTHER PRO SRV		9,270			
5024990000	OTH CNT-NON-IT & REA		250			
5030010000	OFFICE SUPPLIES		1,129			
5030010004	SUBSCRIPTIONS		3,000			
5041020000	FEES AND FINES		500			
5050010000	IN ST-MEALS-NON-REP		618			
5050020000	IN ST-LODGING		4,573			
5050031000	HR-IN ST-AIR TRANS		974			
5050041000	HR-IN ST-AUTO MILES		1,660			
5050050000	IN ST-OTHER TRANS		617			
5050060000	IN ST-MISC TR EXP		698			
5140010000	INDM CLAIMS & AWARDS		50,794		18,470	
Total OTHER OPERATING:		114,500	74,102	65%	18,470	21,928
<b>Total Insurance &amp; Medical:</b>		<b>596,844</b>	<b>364,559</b>	<b>61%</b>	<b>18,470</b>	<b>213,815</b>

**South Carolina Workers' Compensation Commission**  
**Budget vs. Actual Report**  
**FY 2024 As of 1/31/2024**  
**58% of year elapsed**

**Fund 38440000 - EARMARKED FUND**

**Judicial**

Commitment Item	Commitment Item Description	Current Budget	YTD Expenditures	% Used	Commitments	Remaining Balance
501058	CLASSIFIED POS	500,000	304,113	61%		195,887
501070	OTH PERS SVC	75,000	21,096	28%		53,904
512001	OTHER OPERATING	25,000				
5020010000	OFFICE EQUIP SERVICE		1,913			
5030070000	POSTAGE		16,000			
5040490008	RENT POSTAGE EQUIP		703			
5050010000	IN ST-MEALS-NON-REP		127			
5050020000	IN ST-LODGING		936			
5050041000	HR-IN ST-AUTO MILES		840			
5050060000	IN ST-MISC TR EXP		79			
Total OTHER OPERATING:		25,000	20,598	82%	0	4,402
<b>Total Judicial:</b>		<b>600,000</b>	<b>345,807</b>	<b>58%</b>	<b>0</b>	<b>254,193</b>

**Employer Contributions**

Commitment Item	Commitment Item Description	Current Budget	YTD Expenditures	% Used	Commitments	Remaining Balance
513000	EMPLOYER CONTRIB	719,818	493,378	69%	0	226,440
<b>Total Employer Contributions:</b>		<b>719,818</b>	<b>493,378</b>	<b>69%</b>	<b>0</b>	<b>226,440</b>
<b>Total EARMARKED FUND:</b>		<b>5,607,845</b>	<b>2,554,556</b>	<b>46%</b>	<b>325,830</b>	<b>2,727,459</b>



**South Carolina Workers' Compensation Commission**  
**Commitments**  
**FY 2024 As of 1/31/2024**

**Fund 38440000 - EARMARKED FUND**

**Administration**

Commitment Item	Commitment Item Description	Vendor	Commitment
5020077100	SERVICES- APP SUP	PROGRESS SOFTWARE CORP	13,725
5020077220	SERVICES- VOICENET	NWN CORPORATION	31,785
5021540001	PROF SRV-LANG INTER	GLOBAL INTERPRETING NETWORK INC	429
5030010004	SUBSCRIPTIONS	WEST PUBLISHING CORPORATION	7,250
5030067101	PRGM LIC - APP SUPP	INSURANCE SERVICES OFFICE INC	35,640
5030067101	PRGM LIC - APP SUPP	WEST PUBLISHING CORPORATION	23,187
5040060000	ST RENT-NON ST BLDG	GALIUM 1333 MAIN LLC	6,087
5040490009	RENT PARKING	REPUBLIC PARKING SYSTEM INC	3,314
5041020000	FEES AND FINES	REPUBLIC PARKING SYSTEM INC	20
<b>Total Administration:</b>			<b>121,437</b>

**Inform. services**

Commitment Item	Commitment Item Description	Vendor	Commitment
5020050000	PHOTO & VISUAL SVCS	SUMMIT SOLUTIONZ INC	235
5020077100	SERVICES- APP SUP	INSURANCE SERVICES OFFICE INC	62,640
5020077100	SERVICES- APP SUP	PROGRESS SOFTWARE CORP	9,477
5020077160	SERVICES- MGT ADMN	KUMA	25,000
5020077220	SERVICES- VOICENET	NWN CORPORATION	16,946
5021540000	NON-IT OTHER PRO SRV	PROGRESS SOFTWARE CORP	45,000
5030050000	PHOTO & VISUAL SUPP	SUMMIT SOLUTIONZ INC	2,975
5030067130	EQUIP&SUPP- EUC	DELL MARKETING LP	10,800
5030067170	EQUIP&SUPP- PRINT EU	US INK AND TONER INC	3,660
5060322000	TV/Radio Eq Acq (MA)	SUMMIT SOLUTIONZ INC	8,646
<b>Total Inform. services:</b>			<b>185,378</b>

<b>Total EARMARKED FUND:</b>	<b>325,285</b>
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Any items with vendor "Not assigned" are pending financial adjustments. Any commitment on the Budget vs. Actual Report that is missing from this list is a travel commitment.

**South Carolina Workers' Compensation Commission**  
**Earmarked Fund Balance Sheet**  
**FY 2024 As of 1/31/2024**

	<b>Budget</b>	<b>YTD</b>	<b>% of Budget</b>
Total Revenues	3,157,092	1,631,123	52%
Self Insurance Tax Receipts YTD Actual	2,500,000	2,684,626	107%
<b>Total Revenues</b>	<b>5,657,092</b>	<b>4,315,749</b>	<b>76%</b>
Total Expenditures	5,607,845	2,554,556	46%
Commitments		325,830	
<b>Net Income/(Loss)</b>		<b><u>1,435,363</u></b>	

**South Carolina Workers' Compensation Commission**  
**Earmarked Fund Revenues**  
**FY 2024 As of 1/31/2024**  
**58% of year elapsed**

Account	Acct No.	Budget	YTD Actual Revenue	% of Budget
WORKERS COMPENSATION SELF INSURANC	4080100000			
WORKERS' COMPENSATION HEARING FEE	4110090000	1,091,322	650,900	60%
WORKERS COMP SELF INSURANCE APPLIC/	4160040000	7,350	100	1%
WORKERS COMPENSATION FILING VIOLATIC	4223030000	1,985,476	945,712	48%
PARKING FEE	4350040000	12,790	3,350	26%
WORKERS COMPENSATION AWARD REVIEW	4350140000	32,251	7,950	25%
PHOTOCOPYING FEE	4380050000	25,300	18,362	73%
SALE OF LISTINGS & LABELS	4480060000	2,603	775	30%
REFUND OF PRIOR YEAR EXPENDITURES TF	4520010025		750	
RETURNED CHECKS	4530010000			
ADJUSTMENT TO AGENCY DEPOSITS	4530020000		(200)	
MISCELLANEOUS REVENUE	4530030000			
<b>Total Revenues</b>		<b>3,157,092</b>	<b>1,627,698</b>	<b>52%</b>
<b>Self Insurance Tax</b>		<b>2,500,000</b>	<b>2,684,626</b>	<b>107%</b>

**South Carolina Workers' Compensation Commission  
Earmarked Fund Financial Projections  
FY 2024 As of 1/31/2024**

**Expenditures**

YTD Actual Expenditures	2,554,556
YTD Monthly Average Expenditures	364,937
Annualized Monthly Average Expenditures	4,379,239
Commitments	325,830
<b>Total Projected Expenditures</b>	<b>4,705,069</b>

**Revenues**

YTD Actual Revenue	1,631,123
YTD Monthly Average Revenue	233,018
<b>Total Projected Revenues</b>	<b>2,796,211</b>

<b>Projected Operating Surplus (Deficit)</b>	<b><u>(1,908,858)</u></b>
--	---------------------------

**Self Insurance Tax Revenues**

Self Insurance Tax Receipts YTD Actual	2,684,626
Self Insurance Tax Receipts Monthly Average	383,518
Self Insurance Tax Receipts Projection	4,602,217
<b>Self Insurance Tax Receipts Net (50%)</b>	<b>2,301,108</b>

<b>Projected Surplus (Deficit)</b>	<b><u>392,250</u></b>
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South Carolina Workers' Compensation Commission  
 Estimated Revenue vs Actual Revenue  
 FY 2024 As of 1/31/2024

Fund	Cash Rev/Exp Acct		Original Budget	Budget Adjustments	Current Budget	MTD Revenue	Revenue □ Over/(Under)	YTD Actual Revenue
28370000	4160040000	W COMP SF INS APPL				3,425.00	3,425.00	3,425.00
38440000	4080100000	WRK CP SELF INS TX				0.00	0.00	0.00
38440000	4110090000	WRK COMP HRING FEE	1,091,322.00		1,091,322.00	650,900.00	(440,422.00)	650,900.00
38440000	4160040000	W COMP SF INS APPL	7,350.00		7,350.00	100.00	(7,250.00)	100.00
38440000	4223030000	W COMP FL VIOL PNLTY	1,985,476.00		1,985,476.00	945,711.56	(1,039,764.44)	945,711.56
38440000	4350040000	PARKING FEE	12,790.00		12,790.00	3,350.00	(9,440.00)	3,350.00
38440000	4350140000	W/C AWD REVIEW FEE	32,251.00		32,251.00	7,950.00	(24,301.00)	7,950.00
38440000	4380050000	PHOTOCOPYING FEE	25,300.00		25,300.00	18,361.50	(6,938.50)	18,361.50
38440000	4480060000	SL OF LISTING & LBL	2,603.00		2,603.00	775.00	(1,828.00)	775.00
38440000	4520010025	REF PR YR EXP TRAV				750.00	750.00	750.00
38440000	4530010000	RETURNED CHECKS				0.00	0.00	0.00
38440000	4530020000	ADJ TO AGNCY DEPOSIT				(200.00)	(200.00)	(200.00)
38440000	4530030000	MISC REVENUE				0.00	0.00	0.00
		<b>Sum:</b>	<b>3,157,092.00</b>		<b>3,157,092.00</b>	<b>1,631,123.06</b>	<b>(1,525,968.94)</b>	<b>1,631,123.06</b>

**TAB 5**

# State of South Carolina

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Columbia, S.C. 29202-1715



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www.wcc.sc.gov

## Workers' Compensation Commission

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To: Gary Cannon, SCWCC Executive Director  
From: Kris Pluss, IT Director  
Date: February 05, 2023  
Subject: IT Department January 2024 Full Commission Report

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This report summarizes the activities and accomplishments for projects and initiatives in the IT Department during January 2024.

### **I. Systems Operations, Maintenance and Support**

#### EDI

WCC IT provided Verisk with updates to finalize the Registration Process for existing and new Trading Partners. Pending deployment and review for final approval.

#### Security

Three Phishing emails were reported to the WCC IT Team during January.

#### Reporting

107 Service Desk tickets were received by WCC IT during January 2024.  
98 Tickets were assigned a priority of Low.  
6 Tickets were assigned a priority of Medium.  
3 Tickets were assigned a priority of High.  
0 Tickets were assigned a priority of Urgent.

### **II. Projects, Enhancements and Development**

#### Legacy Modernization

##### Progress

WCC IT deployed the online payment process and deposit system enhancements in Progress to allow WCC Staff to process online submissions and subsequent payments.

##### SC.Gov – Filing of Forms

WCC IT coordinated four ePay Demonstrations with external stakeholders in January. 26 ePay transactions with a Fee were submitted by 8 different submitters as part of the pilot phase for January. The remaining submission types (ex. File Copy Requests) were reviewed by internal WCC subject matter experts and were finalized in January. WCC IT will update the wcc.sc.gov website to provide access to the electronic form upload and corresponding payments for all external stakeholders in February.

**TAB 6**



# State of South Carolina



## Workers' Compensation Commission

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**To:** Mr. Gary Cannon  
SCWCC Executive Director

**From:** Wayne Ducote, Jr.  
IMS Director

**Date:** 8-Feb-24

**Subj:** Insurance and Medical Services Department  
January 2024 Full Commission Report

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Please find attached information provided to summarize the status and workflow of initiatives currently underway within the Insurance and Medical Services (IMS) Department.

In addition to the statistical data provided, please be advised of the following:

- |                     |  |
|---------------------|--|
| Compliance Division | <ol style="list-style-type: none"><li>1. Reviewing revenue metrics / projections.</li><li>2. Working with staff to review workflow processes and additional training opportunities.</li><li>3. Continuing to explore outreach opportunities with stakeholders.</li></ol> |
| Coverage Division   | <ol style="list-style-type: none"><li>1. Working with staff to review workflow processes and explore opportunities to enhance service provision.</li><li>2. Lapse in Coverage (Progress): 78 new registrants; 0 notifications sent.</li></ol>                            |
| Medical Services    | <ol style="list-style-type: none"><li>1. One medical bill reviewer certification was done in the month of January.</li><li>2. Continuing to work with FAIR Health regarding the 2024 MSPM update.</li></ol>  |

While this summary is in no way all-inclusive, it may serve to assist you and our Commissioners in understanding the key initiatives underway in the IMS Department and provide measures by which the Department's effectiveness can be gauged. IMS welcomes any guidance that you and/or our Commissioners can provide concerning our performance and direction.

**Employer Rule to Show Cause Hearings and Compliance Activity**

The Compliance Division docketed 2 new RTSC cases and 2 total RTSC cases in the month of January. And, compelled 42 South Carolina employers to come into compliance with the Act. Year to date, 5 new RTSC cases and 10 total RTSC cases have been docketed.

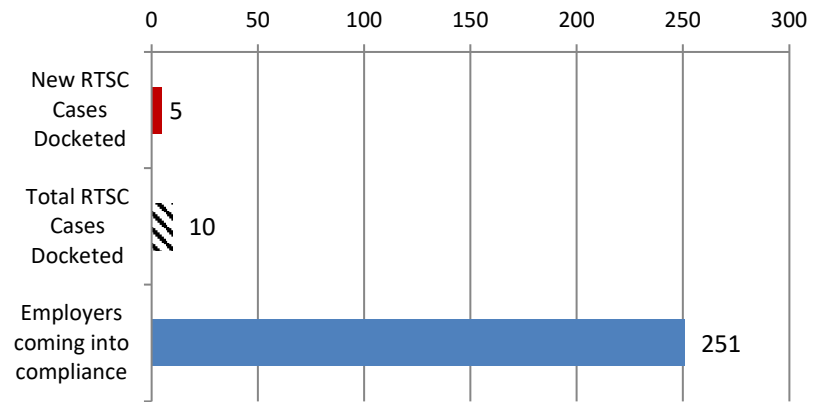
**Employers Obtaining Coverage**

Year to date, the Compliance Division has compelled 251 South Carolina employers to come into compliance with the Act. In so doing, approximately 1,759 previously uninsured workers are now properly covered.

**Penalties Waived**

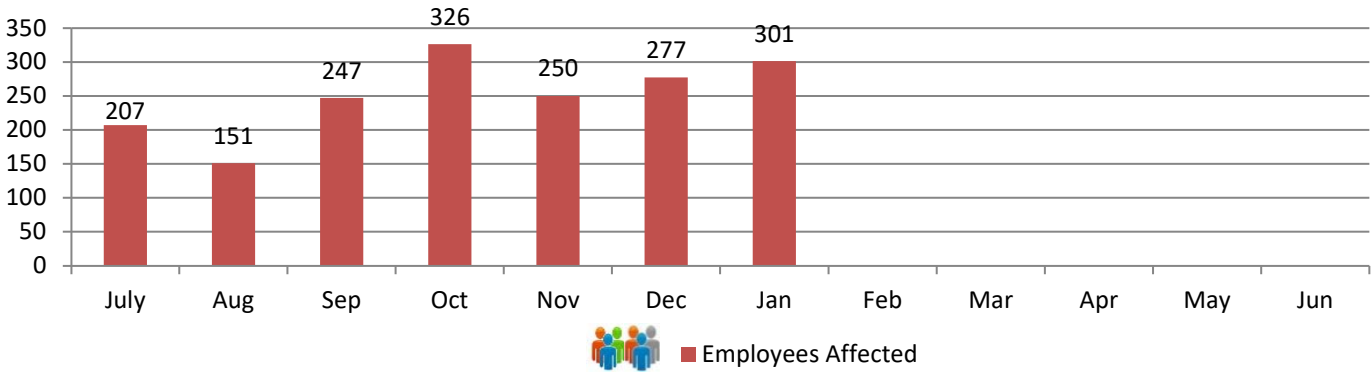
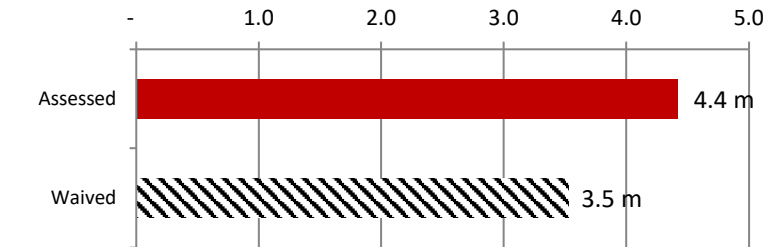
Although the Division has assessed \$4.4 m in fines this fiscal year, \$3.5 m have been waived or rescinded as employers have either obtained insurance coverage or were found not to be subject to the Act.

**RTSC and Compliance Activity**



**Fines and Penalties**

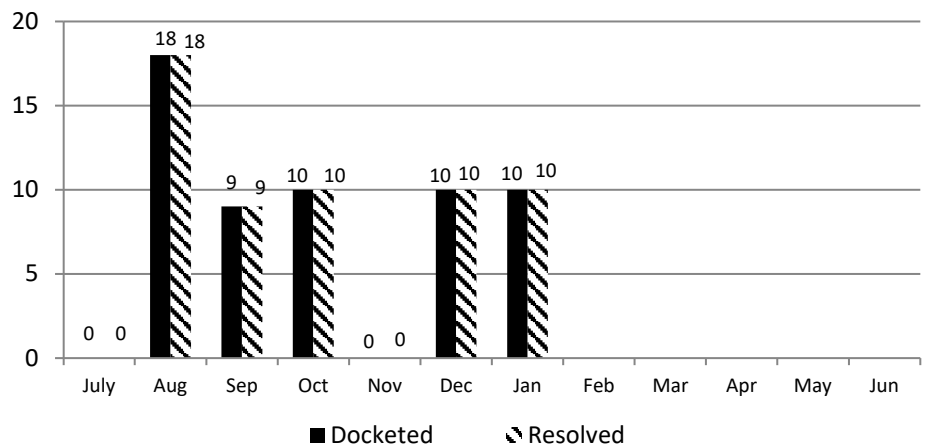
Millions



**Carrier Rule to Show Cause Hearings**

The Compliance Division manages the Rule to Show Cause process involving the recovery of outstanding carrier fines and penalties. In the month of January 2024, 10 carrier RTSC cases were docketed; 10 cases were resolved for a total of \$15,200.

Year to date, a total of 57 carrier RTSC cases have been docketed, 57 cases for a total of \$78,139 have been resolved.

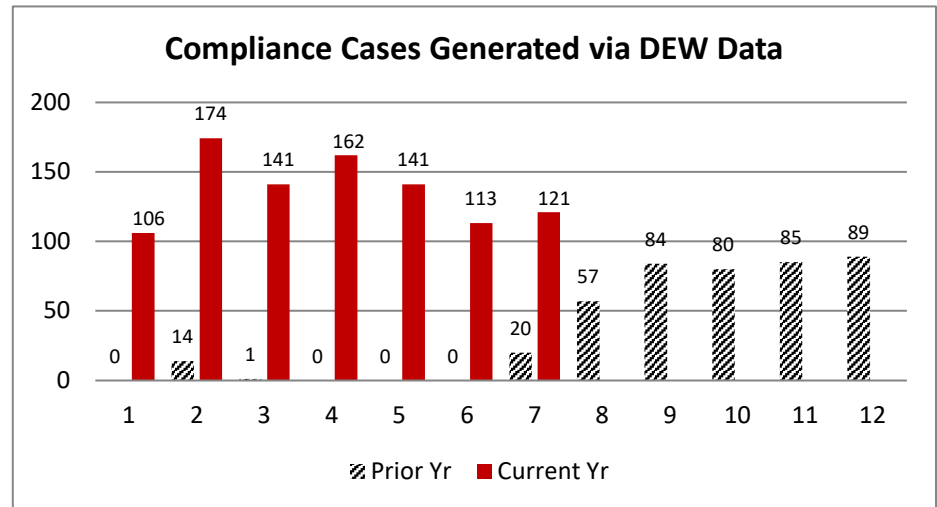
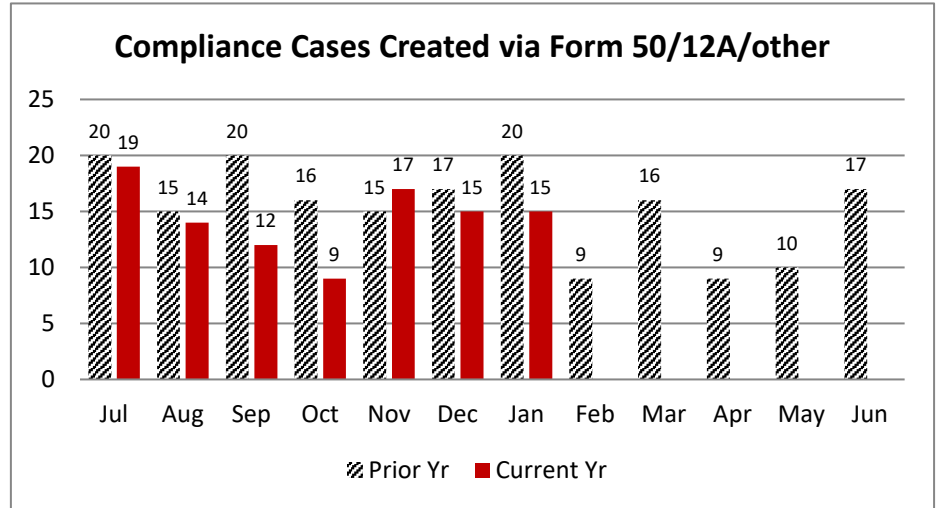


In January 2024, 15 compliance files were created from the combined filings of Form 50's, 12A's, and stakeholder reporting involving uninsured employers.

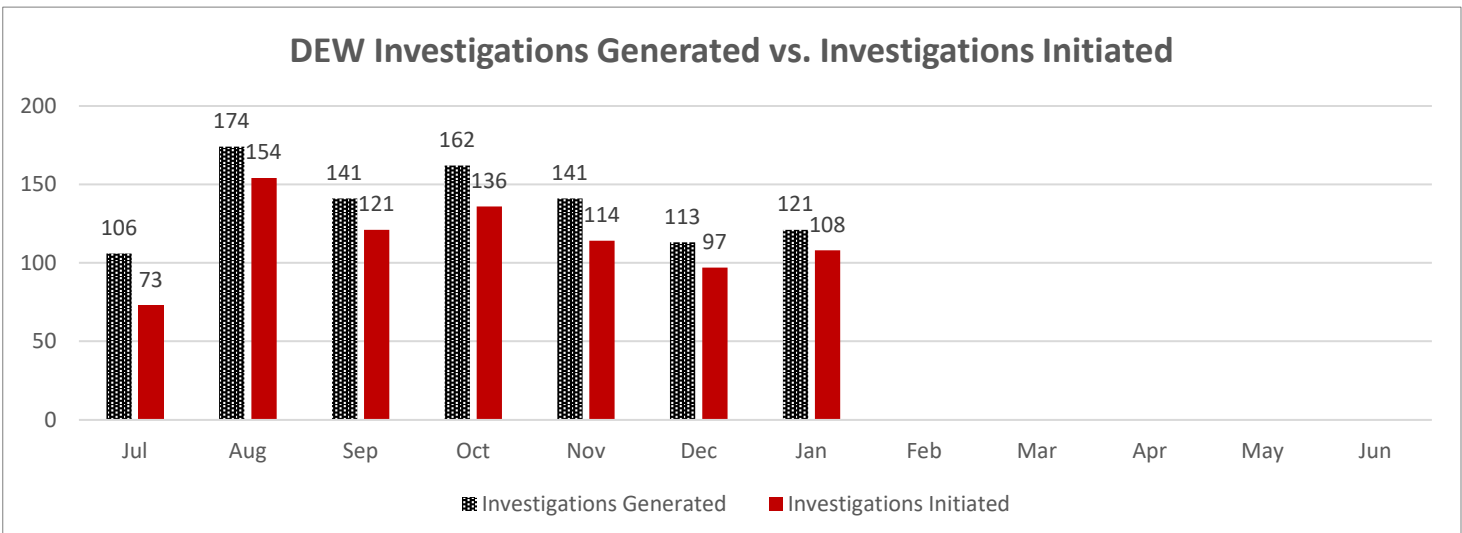
YTD vs. Prior Year total (184): 55%  
 Jan 2023 to Jan 2024: 75%  
 Current Yr End trend: 94% of 2022-2023  
 YTD 2023-2024 v. YTD 2022-2023: 82%

In January 2024, 121 compliance files were generated from the DEW data process.

YTD vs. Prior Year total (430): 223%  
 Jan 2023 to Jan 2024: 605%  
 Current Yr End trend: 382% of 2022-2023  
 YTD 2023-2024 v. YTD 2022-2023: 2737%



The DEW Data Pool is determined by the total number of potential, non-compliant employers who report wages to DEW with at least 4 employees and who's FEIN does not match with any coverage records in the Commission's coverage database. The investigations generated is the number of compliance investigations generated from the pool. The investigations initiated is the number of compliance investigations initiated from those that were generated.



**Carryover Caseload:**

The Compliance Division closed January 2024 with 310 cases active, compared to an active caseload of 180 at the close of January 2023.

**Cases Resolved:**

For the month of January 2024, Compliance Division staff closed-out 136 cases.

**Compliance Fines:**

In January 2024, the Compliance Division collected \$57,345 in fines and penalties. Year to Date, the Compliance Division has collected \$494,162 in fines and penalties.

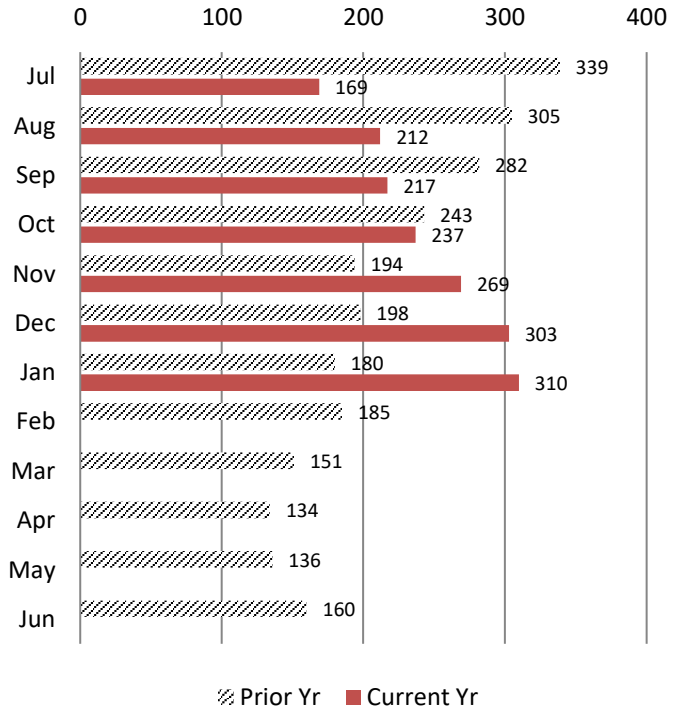
Year to Date vs Prior Year Total (\$483,063): 102%

Jan 2023 vs. Jan 2024: 218%

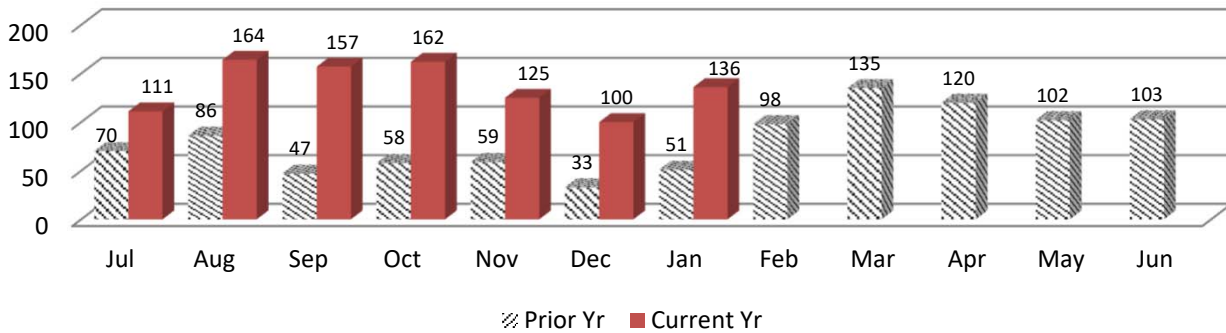
Current Year End trend is 175% of 2022-2023

YTD 2022-23 (Jan - June) vs YTD 2023-2024: 230%

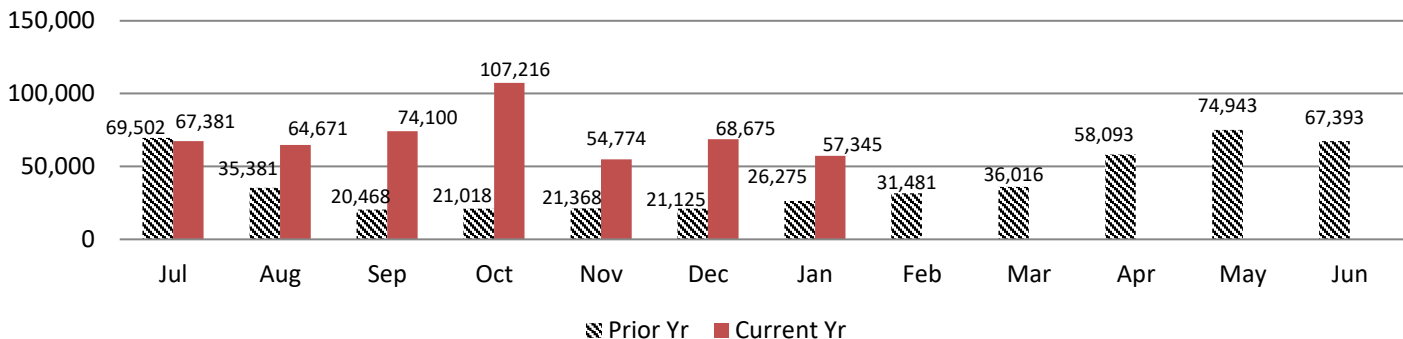
**Caseload Pending v. Prior Year**



**Cases Resolved v. Prior Year**



**Compliance Fines Collected v. Prior Year**

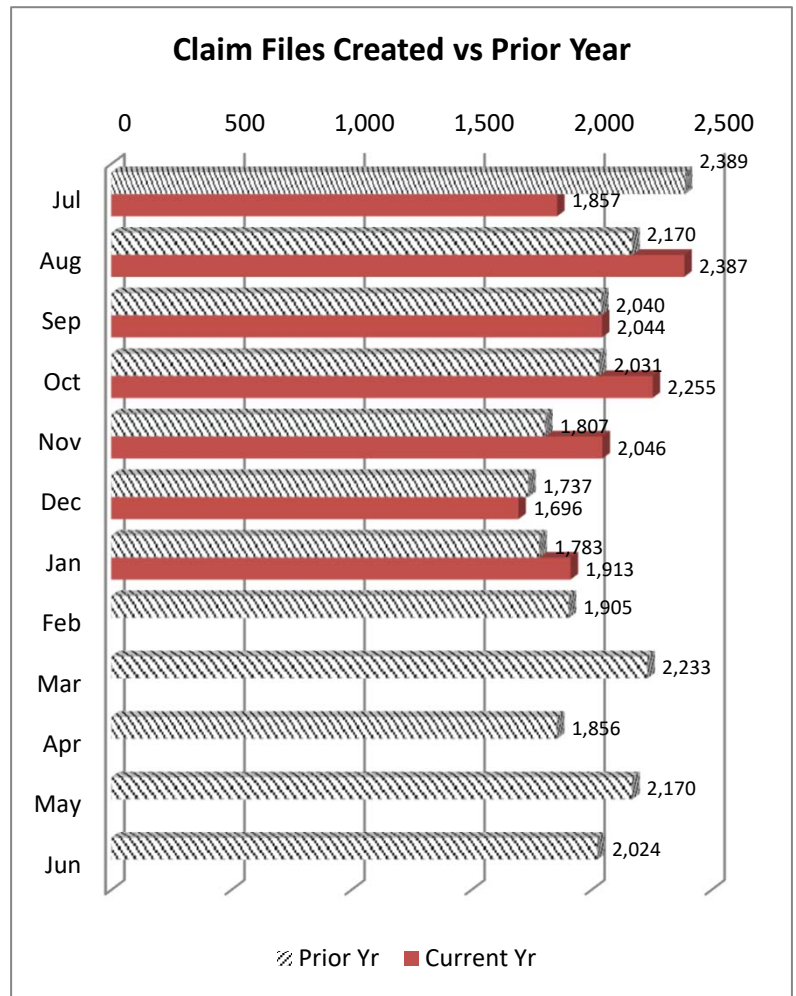


**WCC Claim Files:**

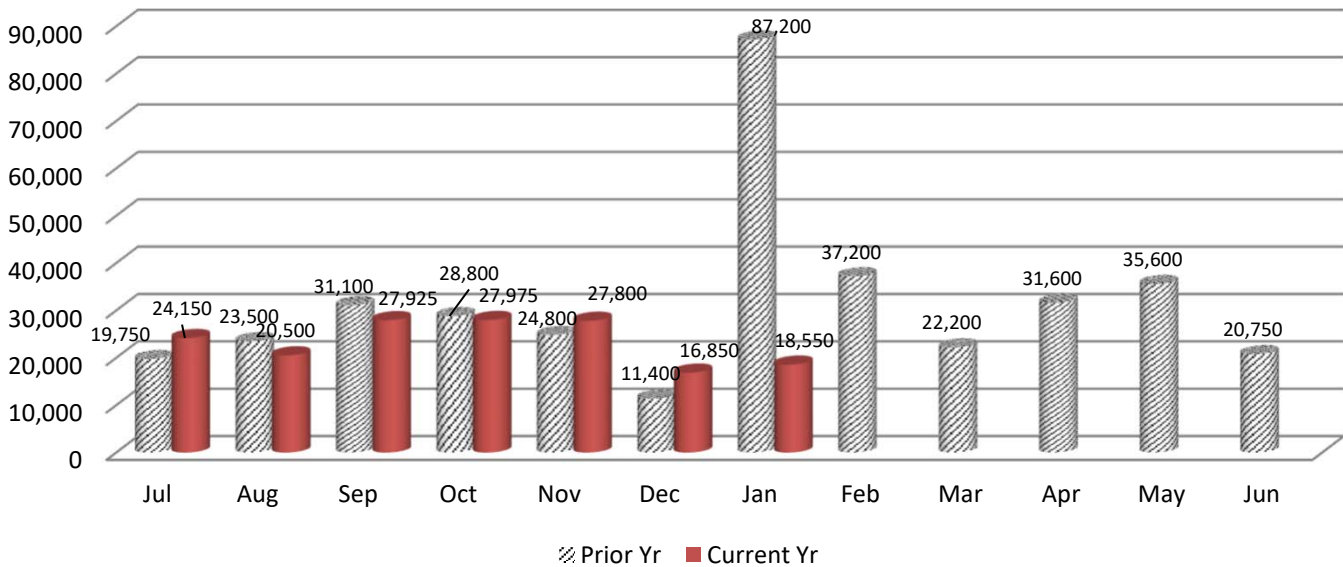
In January 2024, the Coverage Division received a total of 1,913 WCC Claim files. Of these, 1,637 were created through proper carrier filing of a 12A, and 276 were generated as a result of a Form 50 claim filing. Year to Date 14,198 Claim files have been created which is 59% of claim file volume prior year (24,145).

**Coverage Fines:**

The Coverage Division collected \$18,550 in fine revenue in January 2024, as compared to \$87,200 in Coverage fines/penalties accrued during January 2023 (which was an anomaly). Year on Year, Coverage fines are at 44% of collections for prior year.



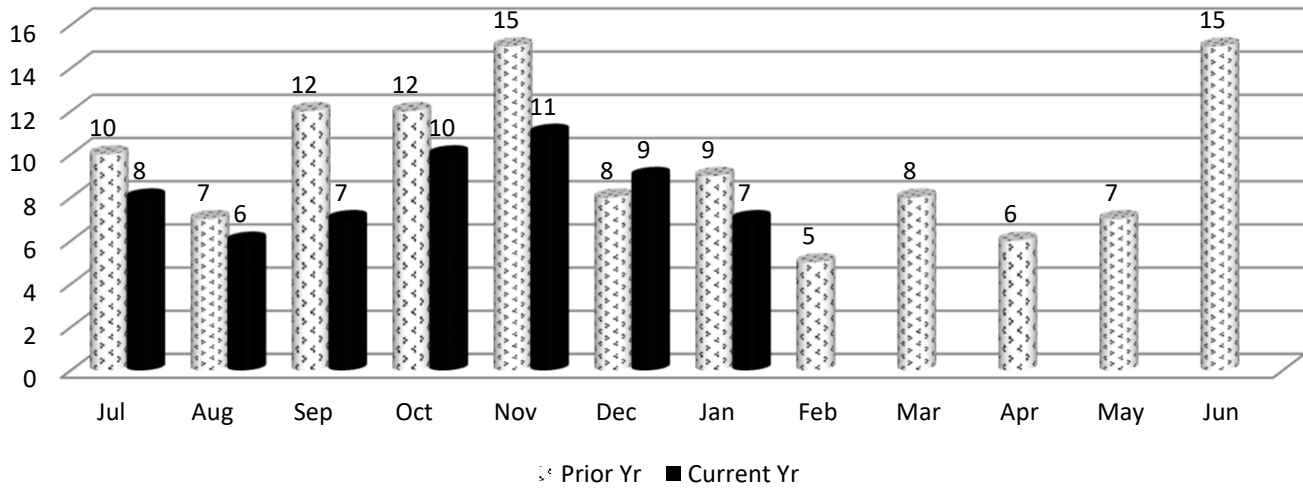
### Coverage Fines Collected v Prior Year



**IMS MEDICAL SERVICES DIVISION**

In January 2024, the Medical Services Division began the month with 9 bills pending review, received an additional 8 bills for review, conducted 10 bill reviews and ended the month with 7 bills pending.

**Medical Bills Pending Review v. Prior Year**



**TAB 7**

# *State of South Carolina*

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## *Workers' Compensation Commission* MEMORANDUM

**To: Gary Cannon, Executive Director**

**From: Sonji Spann, Claims Director**

**Date: February 12, 2024**

**Re: Claims Department February 2024 Full Commission Report**

Attached is the Statistical Report for the Claims Department for the period July 1, 2023-January 31, 2024, for the Business Meeting on February 12, 2024.

Claims activities are in Column (a) with the totals for the period ending January 2024 in column (o). Column (q) reflects the percentage change when comparing the totals for same period in the current fiscal at the totals for the same period in last fiscal year. The total Claims Activities, for this period have decrease 2% when compared to the same period from last fiscal year.

The number of cases Reviewed shows a 15% increase; cases Closed increased 5% the Fines Assessed reflects a 3% decrease; and the Total Fines Paid were 31% less than the amount paid during the same period last year.

I will be happy to answer any questions you or the Commissioners have.



**Claims Department Statistical Report**  
**FY2023-2024**  
**July 1, 2023 - June 30, 2024**

Claims Activities	July	August	Sept	Oct	Nov	Dec	Jan	FY23-24 Total	FY22-23 Total	% Diff from prev year
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(o)	(p)	(q)
Forms 15-I	927	1,174	1,020	1,194	1,068	968	1,081	7,432	7,543	-1%
Forms 15-II/Forms 17	670	742	687	732	692	630	791	4,944	6,394	-23%
Forms 16 for PP/Disf	43	39	55	60	52	48	44	341	1,416	-76%
Forms 18	4,716	5,293	4,979	5,183	5,031	4,590	5,683	35,475	34,675	2%
Forms 20	514	624	503	578	543	439	574	3,775	3,939	-4%
Form 50 Claims Only	267	309	263	4		-	-	843	1,608	
Form 61	628	756	670	772	700	644	782	4,952	4,714	5%
Letters of Rep	123	178	119	2	-	-	-	422	1,620	
Clinchers	601	679	613	748	643	605	685	4,574	5,594	-18%
Third Party Settlements	17	21	22	28	24	9	28	149	166	-10%
SSA Requests for Info	44	39	36	46	33	33	40	165	214	-23%
Cases Closed	1,927	2,270	2,132	2,314	1,984	1,898	2,488	15,013	14,366	5%
Cases Reviewed	1,947	2,479	3,407	4,430	3,340	2,919	3,952	22,474	19,568	15%
<b>Total</b>	<b>12,424</b>	<b>14,603</b>	<b>14,506</b>	<b>16,091</b>	<b>14,110</b>	<b>12,783</b>	<b>16,148</b>	<b>100,665</b>	<b>102,233</b>	<b>-2%</b>
								-	-	
Total Fines Assessed	241	444	290	291	252	270	358	2,146	2,212	-3%
Form 18 Fines	230	414	230	212	218	229	291	1,824	1,926	-5%
Total Amt Paid	\$33,200	\$33,400	\$30,050	\$45,000	\$40,000	\$36,250	\$52,800	270,700	390,800	-31%

# TAB 8

State of South Carolina

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P.O. Box 1715  
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**Workers' Compensation Commission**

February 5, 2024

To: Gary Cannon  
Executive Director

From: Amy A. Bracy  
Judicial Director

**RE: Monthly Judicial Report for January 2024**

During the month of January, the Judicial Department processed two hundred forty-two (242) claim only 50s, and eight hundred eighty-five (885) requests for hearings (claimant and defense pleadings). Comparing the numbers from the same period last year, claimant hearing requests experienced a 7% increase and defense pleadings experienced a 6% increase. The department received one hundred seventeen (117) Motions, a 5% decrease compared to the same period last year and one hundred fifty-four (154) clincher conference requests, a 2% increase compared to the same time last year.

There were thirty-three (33) Single Commissioner Hearings conducted during the past month, five (5) pre-hearing conferences held, and seven (7) Full Commission hearings held. A total of five hundred eighty-four (584) Orders (Single Commissioner Orders, Consent Orders and Administrative Orders) were served at the single Commissioner level, thirty-nine (39) of those were Decision and Orders that resulted from hearings that went on the record and one hundred sixty-one (161) were Motion Orders that were a result of Motions ruled upon by Commissioners.

There were two hundred fifty-eight (258) Informal Conferences requested during January and one hundred ninety-five (195) were conducted.

There were twenty-seven (27) regulatory mediations scheduled and ninety-three (93) requested mediations. Totals are down 3% and up 20% in the respective categories for the same period last year. The Judicial Department was notified of seventy (70) matters resolved in mediation, with the receipt of Forms 70. This category's total is up 3% compared to this period last year. This does not include mediations that take place outside of what is reported to the Commission.

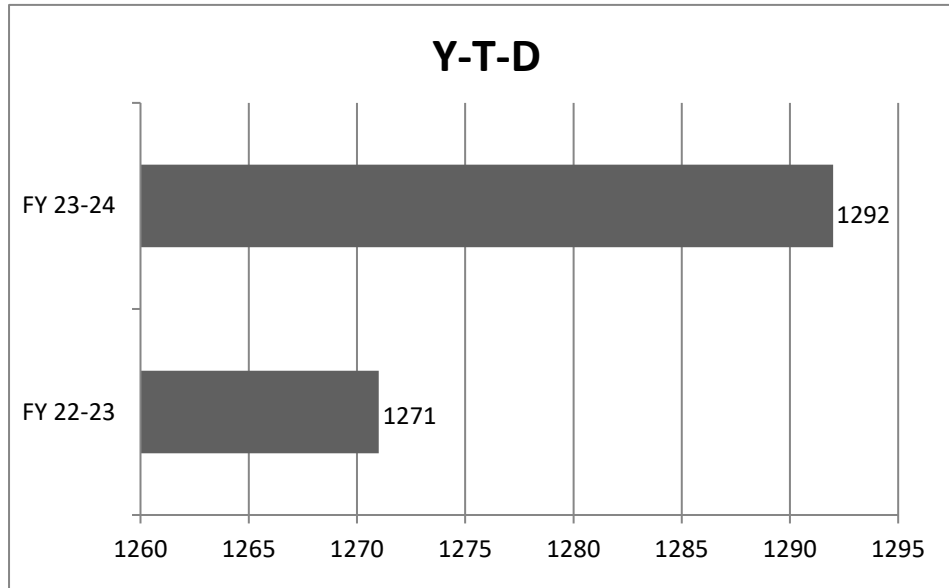
In the month of January, Judicial received two (2) Notice of Intent to Appeal to the Court of Appeals and zero (0) to the Circuit Court.

**Judicial Department Statistical Report  
Statistics For Fiscal Year 2023-2024**

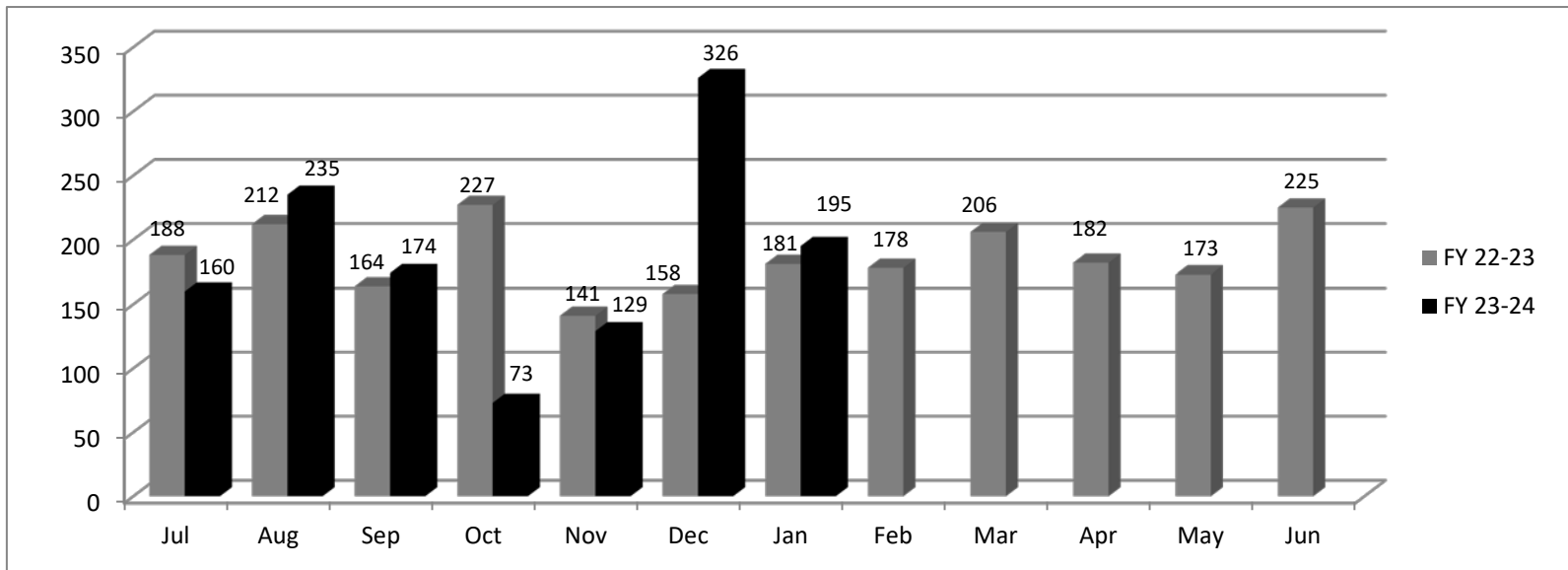
	July	Aug	Sept	Oct	Nov	Dec	Jan	Totals YTD 2023-2024	Totals YTD 2022-2023	% Diff from prev year
Claimant Pleadings	516	702	619	636	529	489	591	<b>4,082</b>	<b>3,826</b>	<b>7%</b>
Defense Response to Pleadings	432	556	569	500	558	393	468	<b>3,476</b>	<b>3,153</b>	<b>10%</b>
Defense Pleadings	261	289	256	299	203	231	294	<b>1,833</b>	<b>1,730</b>	<b>6%</b>
Form 50 - Claim Only (Oct. Begins Judicial #s)	267	309	263	302	221	255	242	<b>1,859</b>		
Letters of Representation				128	88	66	72	<b>354</b>		
Motions	90	90	105	133	101	88	117	<b>724</b>	<b>766</b>	<b>-5%</b>
Form 30	8	7	10	9	11	9	7	<b>61</b>	<b>53</b>	<b>15%</b>
FC Hearings Held	3	8	9	3	8	3	7	<b>41</b>	<b>49</b>	<b>-16%</b>
FC Orders Served	6	9	2	5	1	3	4	<b>30</b>	<b>70</b>	<b>-57%</b>
Single Comm. Hearings Held	46	66	56	48	54	67	33	<b>370</b>	<b>341</b>	<b>9%</b>
Single Comm. Orders Served	136	195	178	208	134	123	211	<b>1,185</b>	<b>1,316</b>	<b>-10%</b>
Single Comm. Pre-Hearing Conf Held	4	15	16	21	2	29	5	<b>92</b>	<b>106</b>	<b>-13%</b>
Consent Orders	239	286	284	299	298	270	364	<b>2,040</b>	<b>1,996</b>	<b>2%</b>
Adminstrative Orders	3	10	9	11	9	6	9	<b>57</b>	<b>88</b>	<b>-35%</b>
Clincher Conference Requested	127	142	138	157	126	124	154	<b>968</b>	<b>953</b>	<b>2%</b>
Informal Conference Requested	219	233	263	251	117	302	258	<b>1,643</b>	<b>1,673</b>	<b>-2%</b>
Informal Conference Conducted	160	235	174	73	129	326	195	<b>1,292</b>	<b>1,271</b>	<b>2%</b>
Regulatory Mediations	37	36	34	25	30	30	27	<b>219</b>	<b>226</b>	<b>-3%</b>
Requested Mediations	60	83	45	64	64	47	93	<b>456</b>	<b>381</b>	<b>20%</b>
Ordered Mediations	1	2	0	1	0	0	0	<b>4</b>	<b>4</b>	<b>0%</b>
Mediation Resolved	33	77	48	46	61	31	70	<b>366</b>	<b>354</b>	<b>3%</b>
Mediation Impasse	7	32	10	12	16	8	22	<b>107</b>	<b>89</b>	<b>20%</b>
Mediation Held; Issues Pending	1	5	0	0	1	0	1	<b>8</b>	<b>3</b>	<b>167%</b>
Claim Settled Prior to Mediation	5	10	10	13	9	16	36	<b>99</b>	<b>68</b>	<b>46%</b>
Mediation Not Complete in 60 days	0	0	5	2	0	3	5	<b>15</b>	<b>16</b>	<b>-6%</b>

**Informal Conf. Conducted**

	FY 22-23	FY 23-24
Jul	188	160
Aug	212	235
Sep	164	174
Oct	227	73
Nov	141	129
Dec	158	326
Jan	181	195
Feb	178	
Mar	206	
Apr	182	
May	173	
Jun	225	
<b>Total</b>	<b>2235</b>	<b>1292</b>

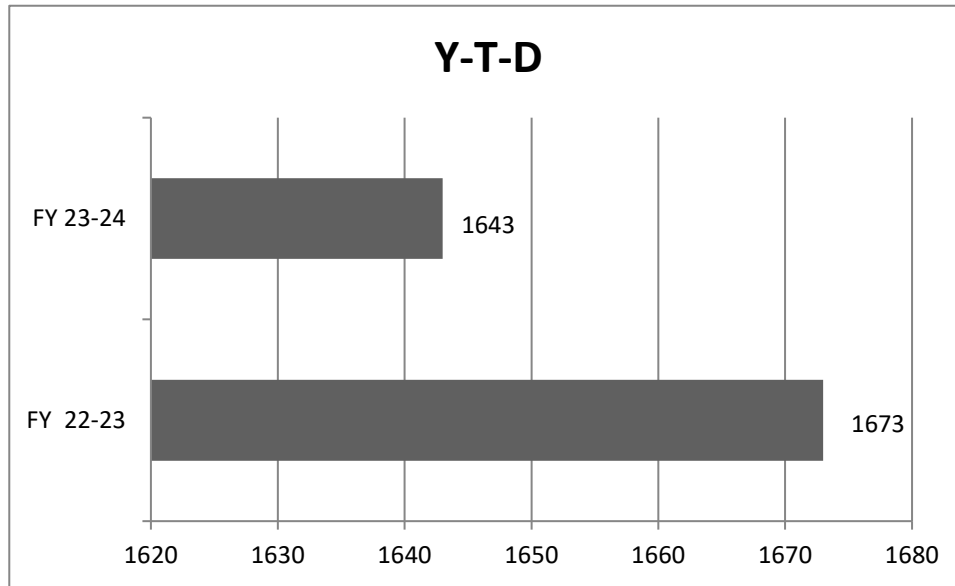


	FY 22-23	FY 23-24
<b>Y-T-D</b>	<b>1271</b>	<b>1292</b>

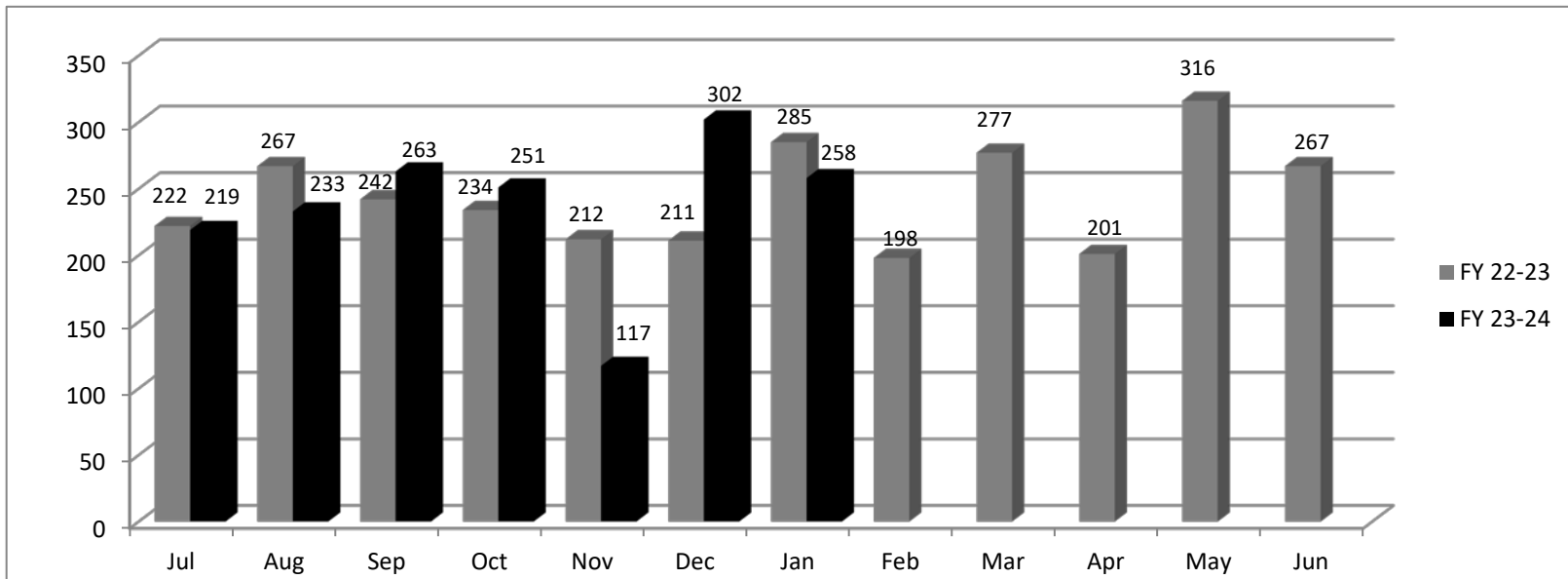


**Informal Conf. Requested**

	FY 22-23	FY 23-24
Jul	222	219
Aug	267	233
Sep	242	263
Oct	234	251
Nov	212	117
Dec	211	302
Jan	285	258
Feb	198	
Mar	277	
Apr	201	
May	316	
Jun	267	
<b>Total</b>	<b>2932</b>	<b>1643</b>



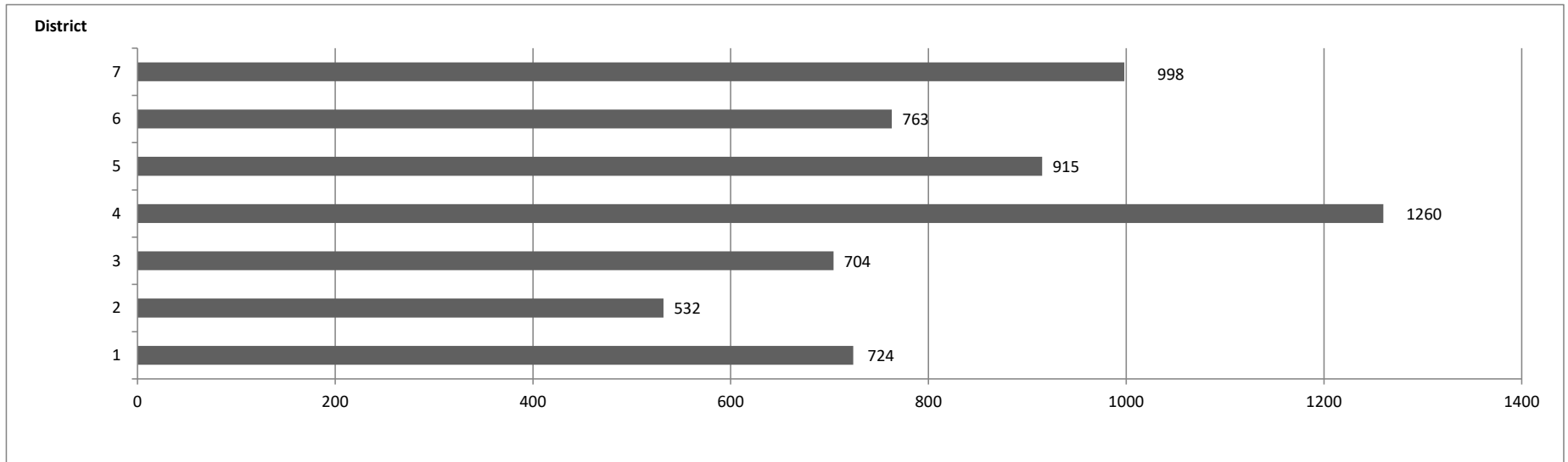
	FY 22-23	FY 23-24
<b>Y-T-D</b>	<b>1673</b>	<b>1643</b>



### Pleadings Assigned - Three Year Comparison by Month

	District 1			District 2			District 3			District 4			District 5			District 6			District 7		
	Greenville			Anderson			Orangeburg			Charleston			Florence			Spartanburg			Richland		
	23-24	22-23	21-22	23-24	22-23	21-22	23-24	22-23	21-22	23-24	22-23	21-22	23-24	22-23	21-22	23-24	22-23	21-22	23-24	22-23	21-22
Jul	93	105	112	64	81	87	80	112	72	150	150	166	106	111	109	100	135	122	131	142	156
Aug	112	105	93	85	70	67	115	86	101	189	172	174	145	118	112	118	124	101	150	155	134
Sep	110	93	109	83	68	77	113	98	96	234	144	158	160	121	143	111	104	112	148	135	143
Oct	96	78	89	68	59	73	107	97	103	181	140	152	149	114	110	114	96	95	142	126	130
Nov	106	90	96	79	77	66	111	106	95	190	180	144	139	135	112	113	137	84	173	164	116
Dec	105	91	104	80	74	80	99	108	100	142	166	156	99	136	123	93	113	108	107	117	131
Jan	102	74	85	73	74	54	79	90	84	174	172	167	117	126	129	114	97	91	147	130	118
Feb		78	93		69	75		90	87		144	170		102	105		88	108		122	145
Mar		96	108		69	87		124	84		174	186		133	149		139	130		158	166
Apr		82	106		82	75		78	82		158	181		138	120		113	127		146	164
May		70	82		64	69		92	81		156	149		126	130		114	103		148	136
Jun		118	122		76	74		118	100		235	161		131	152		119	111		185	147
<b>Totals</b>	<b>724</b>	<b>1080</b>	<b>1199</b>	<b>532</b>	<b>863</b>	<b>884</b>	<b>704</b>	<b>1199</b>	<b>1085</b>	<b>1260</b>	<b>1991</b>	<b>1964</b>	<b>915</b>	<b>1491</b>	<b>1494</b>	<b>763</b>	<b>1379</b>	<b>1292</b>	<b>998</b>	<b>1728</b>	<b>1686</b>

### Pleadings Assigned by District Year to Date



**TAB 9**





Referral Date

7/1/2023

1/31/2024

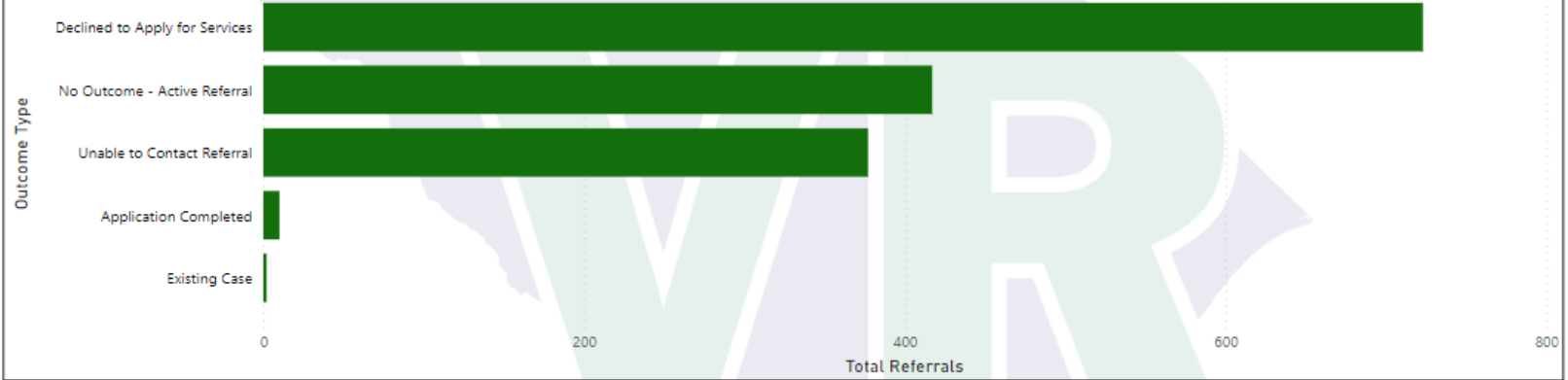
Area Office

All

Referring Organization

SC Workers Compensation

### Total Referrals by Outcome Type



### Referral Summary

Outcome Type	Total Referrals
Application Completed	10
Declined to Apply for Services	723
Existing Case	2
No Outcome - Active Referral	417
Unable to Contact Referral	377
<b>Total</b>	<b>1529</b>

**TAB 10**

# *State of South Carolina*



## *Workers' Compensation Commission*

### **Executive Director's Report**

**February 12, 2024**

#### **Meetings and Other Activities**

The Executive Director conducted six meetings with staff to discuss issues concerning self-insurance, current litigation, outstanding debt collection, and Medical Services Provider Manual updates. Also, he met with a representative of a TPA and the staff member of the House Legislative Oversight Committee and participated in the FY24-25 Budget request presentation to the Transportation and Regulatory Subcommittee of the House Ways and Means Committee.

#### **Constituent /Public Information Services**

For the month of January, the Executive Director's and the General Counsel's offices had one hundred eighty-seven (187) contacts with stakeholders.

#### **Financial Transactions Activity**

During the month of January, the Director's office processed and approved eight (8) travel expense reports, eighty-six (86) invoices, twenty-nine (29) deposits for DOA to process in the SCEIS system and five (5) Purchase Orders.

#### **SCWCC Stakeholder Electronic Distribution List**

For the month of January, the Office had four (4) deletions to the email distribution list due to duplicates of inactive email accounts.

#### **Advisory Notices**

During the month of January, the office posted three (3) notices on the Commission's website and emailed it to the distribution list.

**TAB 11**

*State of South Carolina*

1333 Main Street, 5<sup>th</sup> Floor  
P.O. Box 1715  
Columbia, S.C. 29202-1715



TEL: (803) 737-5700  
[www.wcc.sc.gov](http://www.wcc.sc.gov)

*Workers' Compensation Commission*

**MEMORANDUM**

**To: Commissioners**

**From: Gary Cannon, Executive Director**

**Date: February 12, 2024**

**Re: Public Hearing - 2024 Medical Services Provider Manual (MSPM)**

Attached please find the proposed changes/updates to the Medical Services Provider Manual (MSPM) for 2024.

The hearing to receive public comment on the proposed changes is or the Business Meeting February 12, 2024.

Members of the FairHealth team will review the proposed changes for the Commissioners and public prior to the public hearing.

## Fee Schedule Analysis

January 5, 2024

FAIR Health appreciates the opportunity to assist the South Carolina Workers' Compensation Commission in updating the Medical Services Provider Manual (MSPM). This analysis uses medical call data (2022 dates of service) provided by the National Council on Compensation Insurance, Inc. (NCCI) and South Carolina maximum allowable payment (MAP) amounts to review conversion factors and propose MAP values for the 2024 fee schedule.

FAIR Health received paid amounts from NCCI for the 2022 calendar year, aggregated at the procedure code/modifier level. FAIR Health used the data to:

1. Compare 2022 actual spending to projected amounts based on 2022 fee schedule MAPS.
2. Project spending for 2023.
3. Project spending for 2024 based on multiple conversion factor alternatives.

### 2022 Paid Data and Frequencies

The following is a summary of the 2022 data received from NCCI:

#### NCCI Data – 2022 Calendar Year (Before Validation)

Service Type	Total Paid	Total Charged	Transactions	Units
Ambulance*	\$ 2,500,474	\$ 4,687,537	14,186	246,888
Anesthesia**	\$ 1,474,681	\$ 8,351,439	4,842	525,110
CPT (Less Anesthesia)	\$ 54,654,210	\$ 121,138,777	626,963	870,602
HCPCS (Less Ambulance)	\$ 19,772,098	\$ 28,942,157	69,027	594,559
<b>Total</b>	<b>\$ 78,401,463</b>	<b>\$ 163,119,910</b>	<b>715,018</b>	<b>2,237,159</b>

\*Assumes most units are miles

\*\*Assumes most units are minutes

### Data Used in the Analysis

FAIR Health used the following methodology to analyze the NCCI data and project future payments based on fee schedule MAPs:

- The NCCI paid data from 2022 were used to determine the number of occurrences (frequency) for each service.
- Services were reviewed at the procedure code/modifier level to account for differences in paid amounts based on fee schedule MAP amounts and policies. For example:
  - The occurrences for codes reported with modifier 26 and TC were projected separately, based on the MAP amounts in the fee schedule.
  - HCPCS Codes reported with modifiers NU (new), UE (used) and RR (rental) were projected separately based on the occurrences in the NCCI data and fee schedule MAP values.

- Records with other modifiers or with modifiers NU, UE and RR appended to codes where these modifiers are not applicable and/or expected were considered as though the records did not contain modifiers.
- Services containing modifiers that are paid at adjusted amounts according to South Carolina policies (e.g., assistant surgeon modifiers 80-82 and AS) were projected based on 2022 occurrences and adjusted MAP amounts.

## 2022 Spending

Actual spending from 2022 based on the NCCI data was compared to projected spending based on 2022 fee schedule MAP values.

Category	Frequency	Payments (NCCI)	Fee Schedule Projections	Ratio of Payments to Fee Schedule
Evaluation and Management	110,175	\$ 13,833,309	\$ 15,689,598	88.17%
HCPCS Level II	311,655	\$ 5,690,827	\$ 7,312,593	77.82%
Medicine and Injections	12,073	\$ 1,304,497	\$ 1,306,085	99.88%
Pathology and Laboratory Services	10,356	\$ 377,167	\$ 424,810	88.78%
Physical Medicine	653,279	\$ 21,849,419	\$ 30,689,457	71.20%
Radiology	45,703	\$ 4,408,667	\$ 4,322,895	101.98%
Special Reports and Services	1,065	\$ 62,776	\$ 63,418	98.99%
Surgery	29,309	\$ 11,176,380	\$ 11,923,361	93.74%
<b>Total</b>	<b>1,173,615</b>	<b>\$ 58,703,042</b>	<b>\$ 71,732,218</b>	<b>81.84%</b>

## 2023 Projections

- Total dollar amounts were projected based on 2022 occurrences and 2023 relative value units (RVUs).
- Using these frequencies and RVUs, FAIR Health projected the estimated spending based on 2023 fee schedule MAP values, including the 9.5% cap on MAP increases and decreases compared to the prior year, where applicable.
- Ambulance data is paid at 100% of Medicare and is not included in this analysis.
- Please see the separate analysis for anesthesia.

Category	Frequency	Total RVUs	2023 Fee Schedule Projections
Evaluation and Management	110,175	324,918	\$ 16,626,494
HCPCS Level II	256,689	151,966	\$ 7,602,825
Medicine and Injections	12,073	25,622	\$ 1,308,679
Pathology and Laboratory Services	10,356	8,396	\$ 433,253
Physical Medicine	653,279	606,431	\$ 31,164,634
Radiology	45,703	84,241	\$ 4,342,886
Special Reports and Services	1,065	1,240	\$ 63,861
Surgery	29,309	235,483	\$ 12,110,026
<b>Total</b>	<b>1,118,649</b>	<b>1,438,297</b>	<b>\$ 73,652,658</b>

## 2024 Projections and Alternate Conversion Factors

- The projections of paid amounts for the 2024 fee schedule are based on 2022 frequencies and 2024 RVUs, to which the current conversion factor of 51.5 is applied. Projections based on other conversion factors: 50, 51, 52 and 53 are also provided. The cap of +/- 9.5% of the prior year's MAP value for each service was applied, when appropriate, in providing these projections.
- Certain 2024 MAP values used for these projections were calculated based on the following assumptions:
  - If a service is not valued in the Medicare Physician Fee Schedule, FAIR Health determined whether the service was valued by another Medicare fee schedule (e.g., the Clinical Laboratory, DMEPOS or Average Sales Price drug fee schedule). FAIR Health used Medicare values in the analysis whenever a Medicare value was available.
  - If Medicare did not provide a professional value in *any* fee schedule for a service, FAIR Health gap filled the value using RVUs calculated by FAIR Health based on our repository of private claims data.
  - FAIR Health does not gap fill values for new codes effective January 1, 2024, that were not valued by Medicare. FAIR Health requires a minimum threshold of claims for a procedure before we can establish an RVU. FAIR Health will evaluate these codes for the 2025 MSPM to determine if we are able to value these codes at that time.

### 2024 Projections – Current and Alternate Conversion Factors

Category	Freq.	2024 RVUs	CF=50	CF=51	CF=51.5 (Current)	CF=52	CF=53
Evaluation and Management	110,175	330,750	\$ 16,526,855	\$ 16,847,357	\$ 17,007,734	\$ 17,166,884	\$ 17,484,384
HCPCS Level II	256,619	156,165	\$ 7,814,546	\$ 7,806,428	\$ 7,814,552	\$ 7,822,350	\$ 7,838,136
Medicine & Injection	12,073	26,272	\$ 1,305,822	\$ 1,330,726	\$ 1,338,563	\$ 1,350,571	\$ 1,374,590
Pathology & Laboratory	10,356	8,731	\$ 435,593	\$ 430,246	\$ 434,364	\$ 437,997	\$ 445,499
Physical Medicine	653,279	606,127	\$ 30,286,688	\$ 30,856,740	\$ 31,141,942	\$ 31,426,792	\$ 31,996,843
Radiology	45,703	84,225	\$ 4,213,111	\$ 4,296,667	\$ 4,338,520	\$ 4,380,198	\$ 4,463,732
Special Reports	1,065	1,259	\$ 62,911	\$ 64,169	\$ 64,799	\$ 65,427	\$ 66,674
Surgery	29,309	238,886	\$ 11,931,647	\$ 12,161,357	\$ 12,276,114	\$ 12,390,740	\$ 12,620,128
<b>Total</b>	<b>1,118,579</b>	<b>1,452,415</b>	<b>\$ 72,577,173</b>	<b>\$ 73,793,689</b>	<b>\$ 74,416,588</b>	<b>\$75,040,960</b>	<b>\$ 76,289,986</b>

Upon approval of a conversion factor for 2024, FAIR Health will provide an updated Medical Services Provider Manual, which will include all approved changes in policies and a final set of rate tables.

Please let us know if you have any questions.





## Summary of Proposed Changes 2024 Medical Services Provider Manual

January 18, 2024

FAIR Health reviewed the policies in the Medical Services Provider Manual (MSPM) under the direction of the South Carolina Workers' Compensation Commission (WCC). This is a preliminary version of the summary and will be updated when final changes are approved.

The codes in the provider manual will be made current by including codes established for 2024 and deleting obsolete codes. Maximum allowable payment (MAP) amounts will be updated based on the conversion factors adopted by the Workers' Compensation Commission. In addition to administrative changes such as updating copyright dates, code ranges, numerical examples and URL links, substantive changes to the text, which are outlined below, are included in the proposed version of the 2024 Medical Services Provider Manual (MSPM). Page numbers refer to the pages in the South Carolina MSPM effective April 1, 2023.

Where applicable, new text is underlined and deleted text is marked with a ~~strikethrough~~.

### Part I

#### Chapter I. Overview and Guidelines: Healthcare Common Procedure Coding System

##### Page 1 – Healthcare Common Procedure Coding System

- Language was updated to recognize that CPT occasionally uses alpha-numeric codes.

The Healthcare Common Procedure Coding System (HCPCS) is used in this fee schedule. Level I of the HCPCS is comprised of Current Procedural Terminology (CPT®), a coding system maintained by the American Medical Association (AMA) consisting of descriptive terms and identifying codes that are used primarily to identify medical services and procedures furnished by physicians and other medical care providers. CPT codes, comprised of five ~~digits~~ characters, are published and updated annually by the AMA. Level I of the HCPCS, CPT codes, does not include codes needed to separately report medical items or services that are regularly billed by suppliers other than physicians.

Level II of the HCPCS is a standardized coding system that is used primarily to identify services, products, and supplies not included in the CPT codes, such as some procedures and tests, durable medical equipment, prosthetics, orthotics, and supplies. Level II HCPCS codes were established for submitting claims for these items. The Centers for Medicare and Medicaid Services (CMS) maintains and distributes HCPCS Level II codes. Level II HCPCS ~~also referred to as alpha-numeric codes~~, consist of a single alphabetical letter followed by four numeric digits.

## Page 2 – Providers Covered by the Manual, 3. Non-Physician Practitioners

- Included Mental Health Counselors, to align with the Centers for Medicaid & Medicare Services' (CMS) changes to expand access to care for mental health services.

**Non-Physician Practitioners** to include, but not limited to, physical therapists, physical therapy assistants, occupational therapists, occupational therapy assistants, physicians' assistants, nurse practitioners, certified registered nurse anesthetists, mental health counselors and medical or clinical social workers.

## Page 2 – Service Level Adjustment Factor

- Added adjustment factor for reimbursement for Mental Health Counselors.

**Mental Health Counselors:** .75 for therapeutic and diagnostic services other than diagnostic tests; no adjustment is necessary for diagnostic tests.

## Chapter II. General Policy

### Page 7 – Copies of Records and Reports

- Added reference to the appendix for consistency with other sections of the provider manual.

**Note:** Providers do not need to obtain authorization from the injured worker to release medical records relating to a workers' compensation claim. An employee who seeks treatment under the provisions of the Workers' Compensation Act is considered to have given consent for the release of medical records relating to the examination or treatment. (See Appendix A for S.C. Code Section 42-15-95 and Regulation 67-1308.)

## Chapter III. Billing Policy

### Page 10 – Medically Unlikely Edits (MUES)

**Note:** Repeated on pages 14, 33 and 459

- Edited to align with updates in the National Correct Coding Initiative (NCCI) language.

Medically unlikely edits (MUEs) are applied according to the provider type. If the supply is provided in the physician office, use the practitioner services (physician) MUE table; if the medical service is provided in the inpatient or outpatient facility, use the outpatient services (facility) MUE table. For a DME supply only, a Medicare-approved provider is not required to dispense the DME. The ~~place of service appropriate~~ (physician or facility (place of service)) MUE schedule would be referenced for coverage. Significant supplies dispensed in the physician office may be reimbursed according to the guidelines in this Fee Schedule even if the MUE is 0. (See Part I Chapter IV, Paying for Supplies for more details regarding reimbursing supplies.)

## Page 10 – Modifiers

- Added language to clarify that the modifier only applies to the service code appended and not to the entire bill.

A modifier is a two-digit code that is added to a CPT or HCPCS code to indicate that a service or procedure has been performed under or altered by a specific set of circumstances that do not change the definition or code. The Commission encourages providers to use modifiers to enhance the accuracy of medical services reporting, though use of a modifier may not affect actual payment. The modifier applies only to the specific service(s) to which it is appended. Other services included on the bill are not impacted by the modifier. For certain services and/or circumstances the use of a modifier is required. However, the use of a modifier does not guarantee additional payment to the provider.

## Chapter IV. Payment Policy

### Page 14 – Medically Unlikely Edits

**Note: Repeated on pages 10, 33 and 459**

- Edited to align with updates in the National Correct Coding Initiative (NCCI) language.

Medically unlikely edits (MUEs) are applied according to the provider type. If the supply is provided in the physician office, use the practitioner services (physician) MUE table; if the medical service is provided in the inpatient or outpatient facility, use the outpatient services (facility) MUE table. For a DME supply only, a Medicare-approved provider is not required to dispense the DME. The ~~place of service~~ appropriate (physician or facility (place of service)) MUE schedule would be referenced for coverage. Significant supplies dispensed in the physician office may be reimbursed according to the guidelines in this Fee Schedule even if the MUE is 0. (See Part I Chapter IV, Paying for Supplies for more details regarding reimbursing supplies.)

### Page 14 – Add-on Code Edits

- Language modified to provide clarification and consistency with updated NCCI language.

CMS has adopted add-on code edits. An add-on code describes a service that can only be performed in addition to a primary service by the same practitioner. Add-on codes can be identified by a + in the CPT book and the Medical Services Provider Manual. These The CMS edits identify the primary procedure that should be reported with the add-on code, or those codes that do not specify a primary procedure. Add-on codes are identified as a type I1, H2, or H3.

- Type I1 has a limited number of identifiable primary procedure codes;
- Type H2 does not have a specific list of primary procedure codes; and
- Type H3 has a list of some, but not all, primary procedure codes identified

~~For example, There is one exception for Type 1 edits.~~ Add-on code guidelines indicate that code 99292 may be reported by a provider who does not report 99291 if another provider of the same specialty from the same group reports 99291 ~~on the same day~~. The add-on code edits have been recognized by Medicare since 2013, and followed by state Medicaid programs and health insurance carriers. More information about the add-on code edits can be found at: <http://www.cms.gov/Medicare/Coding/NationalCorrectCodInitEd/Add-On-Code-Edits.html>

## Part II

### Fee Schedule

#### Page 32 – Telemedicine

- Added place of service code 10 and descriptions of the place of service codes for clarification.
- Removed pandemic emergency language due to expiration of the public health emergency.
- Added mental health counselors.

Telemedicine is the use of electronic information and telecommunication technologies to provide care when the provider and patient are in different locations. Technologies used to provide telemedicine include telephone, video, the internet, mobile app and remote patient monitoring. Services provided by telemedicine are identified by the use of place of service code 02, ~~(telemedicine)~~ (telehealth provided other than in the patient's home) or 10 (telehealth provided in the patient's home) and Modifier 95, Synchronous Telemedicine Service, or Modifier 93, Synchronous Telemedicine Service Rendered Via Telephone or Other Real-Time Interactive Audio-Only Telecommunications System on the bill.

Certain services that are eligible for reimbursement under the South Carolina Medical Services Provider Manual when provided by telehealth ~~during the COVID-19 pandemic emergency~~ are identified with a star (★) in the rate tables. Telemedicine may not be used for emergent conditions. The maximum payment for telemedicine services is 100 percent of the billed charge, not to exceed the non-facility maximum allowable payment (MAP) listed in the rate tables. Service level adjustment factors are applicable based on the licensure of the healthcare professional providing the telemedicine service.

Additional services may be provided via telemedicine with pre-authorization by the payer.

The place of service for the telemedicine service is defined as the location of the patient/injured worker. Providers must be licensed to practice in South Carolina and telemedicine services may be provided by physicians, physician assistants, psychologists, nurse practitioners, physical therapists, occupational therapists, speech therapists, mental health counselors and social workers.

Telemedicine activities provided by physical therapy assistants and occupational therapy assistants must be supervised and directed by a physical therapist or occupational therapist, as appropriate, whose license is in good standing in South Carolina.

**Page 33 – Medically Unlikely Edits (MUEs)**

**Note: Repeated on pages 10, 14 and 459**

- Edited to align with updates to the National Correct Coding Initiative (NCCI) language.

Medically unlikely edits (MUEs) are applied according to the provider type. If the supply is provided in the physician office, use the practitioner services (physician) MUE table; if the medical service is provided in the inpatient or outpatient facility, use the outpatient services (facility) MUE table. For a DME supply only, a Medicare-approved provider is not required to dispense the DME. The ~~place of service appropriate~~ (physician or facility (place of service)) MUE schedule would be referenced for coverage. Significant supplies dispensed in the physician office may be reimbursed according to the guidelines in this Fee Schedule even if the MUE is 0. (See Part I Chapter IV, Paying for Supplies for more details regarding reimbursing supplies.)

## **Section 1. Evaluation and Management (E/M) Services**

**Page 35 – Documentation must support the level of E/M service reported.**

- Removed the link to AMA guidelines. In 2023 there were significant changes to E/M services and the AMA made an exception and provided a link to access the guidelines at no cost. This link is no longer active.

For complete instructions on identifying and billing E/M services, please refer to the Evaluation and Management Services Guidelines of the 2024 CPT book, or ~~https://www.ama-assn.org/system/files/2023-e-m-descriptors-guidelines.pdf~~

The appropriate level of E/M service is based on the level of medical decision making defined for each service or the total time spent on E/M services on the date of service.

**Page 39 – South Carolina State-Specific Modifier**

**Note: Repeated on pages 71 and 387**

- Appropriate was added before CPT code for consistency with other sections

**AL Nurse practitioner, physician assistant or certified nurse specialist**

When the service was provided by a nurse practitioner, physician assistant, or certified nurse specialist, modifier AL must be added to the appropriate CPT code for the service rendered.

## Section 3. Surgery

### Page 65 – General

- Provided language to clarify that services covered by follow-up days only apply to services related to the original procedure.

Follow-up days listed for individual services are those determined by the Centers for Medicare and Medicaid Services (CMS). During the follow-up period no payment will be made for hospital or office visits provided by the surgeon, for related procedures, since these services are included in the charge for the surgical procedure. The day after the service was rendered is considered day 1 of the follow-up period.

### Page 66 – Exceptions

- Language was updated to clarify the difference between add-on codes and Modifier 51 exempt codes.

Certain procedures are not subject to the multiple procedures policy. These procedures are performed only in conjunction with other surgical procedures or ~~that otherwise~~ do not fit into the concept of multiple surgery.

~~As a general rule, the description will~~ Add-on codes contain the words “each additional” or “list separately” in ~~it’s the~~ CPT descriptor and ~~will be~~ are identified with the + icon in the rate tables. ~~These services are also known as “add-on” procedures.~~ These codes will ~~be~~ are an exception to the multiple procedures policy and are reported using the CPT code with no modifier. Payment for these services will be made at the lesser of billed charges or 100 percent of the MAP amount.

~~Modifier 51 exempt codes have not been~~ are identified with the ⊖ icon in the rate tables. ~~These codes are an exception to the multiple procedures policy and are reported using the CPT code with no modifier. Payment for these services will be made at the lesser of billed charges or 100 percent of the MAP amount.~~ A listing of CPT codes that are exempt from ~~the multiple procedures policy~~ modifier 51 is found in Appendix B of the Medical Services Provider Manual ~~and these codes are identified with a ⊖ icon in the rate tables.~~

### Page 67 – Non-Physician Practitioners

- Certified nurse specialist was added for consistency with other sections of the MSPM.

When authorized by the employer or insurance carrier, a nurse practitioner, ~~or~~ physician assistant, or certified nurse specialist may provide services to injured workers. Payment to these non-physician practitioners is determined by multiplying the maximum allowable payment (MAP) amounts listed in the Schedule by a service level adjustment factor (SLAF) of .85. Incident-to guidelines are not applicable to services rendered under the 2024 Medical Services Provider Manual.

## Page 71– South Carolina State-Specific Modifier

Note: Repeated on pages 39 and 387

- Appropriate was added before CPT code for consistency with other sections

### **AL Nurse practitioner, physician assistant or certified nurse specialist**

When the service was provided by a nurse practitioner, physician assistant, or certified nurse specialist, modifier AL must be added to the appropriate CPT code for the service rendered.

## Section 6. Medicine and Injections

### Page 383 – Non-Physician Providers (Nurse Practitioners and Physician Assistants)

- Certified nurse specialist was added for consistency with other sections of the provider manual.

Physician assistants, and nurse practitioners and certified nurse specialists who treat injured workers are not paid at the full maximum allowable payment (MAP) amounts listed in the Schedule. Payments to these non-physician providers must not exceed 85 percent of the MAP amounts. To determine the maximum allowable payment for these providers, multiply the MAP amount listed in the Medical Services Provider Manual fee schedule by .85.

### Page 384 – Services Rendered by a Clinical Social Worker

- Updated section title to reflect a broader recognition of social workers and to include the addition of Mental Health Counselors.

Services Rendered by a Mental Health Counselor, or a Medical or Clinical Social Worker

### Page 384 – Billing

- Update section to clarify the inclusion of medical social workers and to add mental health counselors

Clinical psychologists must add modifier AH, and medical or clinical social workers or mental health counselors must add modifier AJ to the applicable CPT codes when billing for services. Services are paid at the lesser of the provider's usual charge or the MAP amount.

### Page 387 – HCPCS Modifiers

- Updated modifier description to clarify the inclusion of medical social workers and to add mental health counselors

### **AJ Medical or Clinical Social Worker, or Mental Health Counselors**

**South Carolina Specific Instruction:** *When the service was rendered by a medical or clinical social worker, or a mental health counselor, the modifier AJ must be added to the CPT code for the service rendered.*

## Page 387– South Carolina State-Specific Modifier

Note: Repeated on pages 39 and 71

- Appropriate was added before CPT code for consistency with other sections

### **AL Nurse practitioner, physician assistant or certified nurse specialist**

When the service was provided by a nurse practitioner, physician assistant, or certified nurse specialist, modifier AL must be added to the appropriate CPT code for the service rendered.

## Section 9. HCPCS Level II

### Page 459 – Medically Unlikely Edits (MUES)

Note: Repeated on pages 10, 14 and 33

- Edited to align with updates in the National Correct Coding Initiative (NCCI) language.

Medically unlikely edits (MUEs) are applied according to the provider type. If the supply is provided in the physician office, use the practitioner services (physician) MUE table; if the medical service is provided in the inpatient or outpatient facility, use the outpatient services (facility) MUE table. For a DME supply only, a Medicare-approved provider is not required to dispense the DME. The ~~place of service~~ appropriate (physician or facility (place of service)) MUE schedule would be referenced for coverage. Significant supplies dispensed in the physician office may be reimbursed according to the guidelines in this Fee Schedule even if the MUE is 0. (See Part I ~~Section~~ Chapter IV, Paying for Supplies for more details regarding reimbursing supplies.)



## Analysis of Anesthesia Conversion Factor

January 5, 2024

The South Carolina Workers' Compensation Commission requested FAIR Health to review the conversion factor that determines reimbursement for anesthesia services under the South Carolina Medical Services Provider Manual.

FAIR Health reviewed the anesthesia conversion factor from several aspects:

- Comparison to Medicare
- Comparison to private health insurance
  - Billed charges
  - Allowed amounts
- Comparison to other states' workers' compensation fee schedules

NOTE: The American Society of Anesthesiologists (ASA) no longer surveys anesthesia providers about conversion factors and does not publish the conversion factor study that was previously used for comparison in this report.

The Commission increased the anesthesia conversion factor from \$30.00 to \$32.85 in the 2023 South Carolina Medical Services Provider Manual (MSPM) . The anesthesiology maximum allowable payment (AMAP) is the sum of the Basic MAP amount plus the Time Value Amount payment. The Basic MAP amount is set in the fee schedule based on the conversion factor x base units. The Time Value amount is calculated based on the \$32.85 conversion factor x each 15-minute time unit.

For example:

CPT 01380 – anesthesia for all closed procedures on knee joint

	60-Minute Surgery (4 Time Units)	120-Minute Surgery (8 Time Units)
Basic MAP (3 base units)	\$ 98.55	\$ 98.55
Time Value Amount	\$ 131.40	\$ 262.80
<b>Total AMAP</b>	<b>\$ 229.95</b>	<b>\$ 361.35</b>

## Medicare

CMS reduced the Medicare anesthesia conversion factor slightly in 2024 to maintain budget neutrality for professional fees. The South Carolina anesthesia conversion factor was increased from \$30.00 to \$32.85 in 2023 and is currently 161% of the national CMS anesthesia conversion factor. The comparison below is based on the Medicare conversion factor published in the 2024 Final Rule.

	National Comparison Anesthesia	South Carolina Comparison Anesthesia	Other Professional Services
<b>South Carolina 2023 Conversion Factor</b>	\$32.85	\$32.85	\$51.50
<b>2024 Medicare Conversion Factor</b>	\$20.4349 (National)	\$19.91 (Adjusted by CMS for South Carolina)	\$32.7442
<b>Ratio</b>	161%	165%	157%

## Private Health Insurance

FAIR Health collects data for anesthesia services from private payors (more than 50 payors contribute data for services performed in South Carolina) and uses this data to develop benchmarks, including benchmarks for anesthesia conversion factors. Insurers and administrators that participate in the FAIR Health Data Contribution Program are required to submit all of their data; they cannot selectively choose which data to contribute to FAIR Health. We are providing benchmarks for anesthesia conversion factors in two different ways:

- Charge benchmarks based on the non-discounted charges billed by providers before any network discounts are applied; and
- Allowed benchmarks that reflect network rates that have been negotiated between the payor and the provider.

The benchmarks below are based on anesthesia services in the FAIR Health database provided in the state of South Carolina. Charge benchmarks (Billed Anesthesia) are based on claims from July 2022 through June 2023 and allowed benchmarks (Allowed Anesthesia) are based on allowed amounts from claims incurred from January through December 2022. These are the latest releases available at the time of developing this report.

Conversion Factor Percentile											
Type	Release	Average	5th	10th	15th	20th	25th	30th	35th	40th	45th
Billed Anesthesia	Nov-2023	144.24	60.25	78.31	93.45	100.79	109.52	115.60	121.13	130.76	141.20
Allowed Anesthesia	Aug-2023	57.12	22.40	26.56	29.84	33.75	38.45	43.27	48.99	54.00	56.97
Conversion Factor Percentile											
Type	Release	50th	55th	60th	65th	70th	75th	80th	85th	90th	95th
Billed Anesthesia	Nov-2023	147.56	155.73	161.26	164.36	168.59	173.15	178.64	186.77	195.86	214.44
Allowed Anesthesia	Aug-2023	60.00	60.87	64.80	68.94	71.59	73.79	75.44	78.70	84.91	86.00

The benchmarks for allowed anesthesia, representing rates contracted with network providers under private health insurance, may be used to compare to the South Carolina conversion factor. It aligns to what is being paid for services provided to workers' compensation patients.

In this analysis, the current \$32.85 conversion factor falls between the 15th and 20th percentiles of allowed values for private insurance. That means that between 80% and 85% of the allowed values in the FAIR Health database are equal to or greater than \$32.85. The 50th percentile (conversion factor of \$60.00) is the median conversion factor value in the private insurance data and the average allowed conversion factor benchmark is \$57.12.

### State Workers' Compensation Fee Schedules

FAIR Health reviewed anesthesia conversion factors documented in state workers' compensation fee schedules effective in 2023.

State	Conversion Factor (per 15-minute time unit)
<b>South Carolina</b>	<b>\$32.85</b>
Alabama	\$63.41
Arizona	\$61.00
Colorado	\$44.00
Florida	\$29.49
Georgia	\$64.44
Kentucky	\$78.53
Louisiana	\$50.00
Maryland	\$22.81
Mississippi	\$75.00
North Carolina	\$58.20 – first 60 min \$30.75 – after 60 min
North Dakota	\$70.86
Ohio	\$41.71
Oklahoma	\$54.00
Tennessee	\$75.00
Virginia (6 regions)	\$51.48 - \$82.59

FAIR Health assists Arizona, Georgia, Kentucky, Mississippi, North Carolina, North Dakota, Oklahoma, and Tennessee in updating their fee schedules. As we are doing for the South Carolina Workers' Compensation Commission, FAIR Health provides research and analysis to support decision making. FAIR Health does not make or recommend fee schedule changes.

### Summary

FAIR Health presents this analysis to the Commission to assist with decision making. In summary:

- The current South Carolina anesthesia conversion factor is \$32.85 or 165% of the 2024 Medicare conversion factor for South Carolina and 161% of the national Medicare conversion factor.
- The ratio of the South Carolina workers' compensation anesthesia conversion factor to the Medicare conversion factor is slightly greater than 157% ratio of the conversion factor for other professional services (\$51.50) in comparison to Medicare (\$32.7442). However, the MAP amounts in the MSPM may also be limited by the +/- 9.5 percent cap on increases or decreases each year, and the formula-based conversion factors for professional services other than anesthesia would not be applicable to those services.
- South Carolina's conversion factor of \$32.85 is low when compared to other states' workers' compensation programs.